

JOURNAL
OF THE
SENATE

STATE OF MINNESOTA

SEVENTY-FIFTH LEGISLATURE

1988

Published By
The Secretary of the Senate

Printed By
Graphics Unlimited
Minneapolis



Introduction

The 1988 Session of the Seventy-Fifth Legislature continued with the same leadership as the 1987 Session.

Senator Roger D. Moe, Erskine, continued as Senate Majority Leader and Chair of the Committee on Rules and Administration.

Senator Duane D. Benson, Lanesboro, continued as Senate Minority Leader.

Senator Jerome M. Hughes, Maplewood, continued as President of the Senate.

The political makeup of the 1988 Senate, Seventy-Fifth Legislature, was 46 DFL-ers and 21 Independent Republicans.

Senator Darril Wegscheid, (DFL), District 37, resigned his Senate seat effective January 1, 1989, the vacancy to be filled at the general election in November of 1988.

Members of the Senate

Adkins, Betty A. (DFL)*	Lantry, Marilyn M. (DFL)
Anderson, Don (IR)**	Larson, Cal (IR)
Beckman, Tracy L. (DFL)	Lessard, Bob (DFL)
Belanger, William V, Jr. (IR)	Luther, William P. (DFL)
Benson, Duane D. (IR)	Marty, John J. (DFL)
Berg, Charles A. (DFL)	McQuaid, Phyllis W. (IR)
Berglin, Linda (DFL)	Mehrrens, Lyle G. (IR)
Bernhagen, John (IR)	Merriam, Gene (DFL)
Bertram, Joe, Sr. (DFL)	Metzen, James (DFL)
Brandl, John E. (DFL)	Moe, Donald M. (DFL)
Brataas, Nancy (IR)	Moe, Roger D. (DFL)
Chmielewski, Florian (DFL)	Morse, Steven (DFL)
Cohen, Richard J. (DFL)	Novak, Steven G. (DFL)
Dahl, Gregory L. (DFL)	Olson, Gen (IR)
Davis, Charles R. (DFL)	Pehler, James C. (DFL)
Decker, Bob (IR)	Peterson, Donna C. (DFL)
DeCramer, Gary M. (DFL)	Peterson, Randolph W. (DFL)
Dicklich, Ronald R. (DFL)	Piper, Pat (DFL)
Diessner, A. W. "Bill" (DFL)	Pogemiller, Lawrence J. (DFL)
Frank, Don (DFL)	Purfeerst, Clarence M. (DFL)
Frederick, Mel (IR)	Ramstad, Jim (IR)
Frederickson, David J. (DFL)	Reichgott, Ember D. (DFL)
Frederickson, Dennis R. (IR)	Renneke, Earl W. (IR)
Freeman, Michael O. (DFL)	Samuelson, Don (DFL)
Gustafson, Jim (IR)	Schmitz, Robert J. (DFL)
Hughes, Jerome M. (DFL)	Solon, Sam G. (DFL)
Johnson, Dean E. (IR)	Spear, Allan H. (DFL)
Johnson, Douglas J. (DFL)	Storm, Donald A. (IR)
Jude, Tad (DFL)	Stumpf, LeRoy A. (DFL)
Knaak, Fritz (IR)	Taylor, Glen (IR)
Knutson, Howard A. (IR)	Vickerman, Jim M. (DFL)
Kroening, Carl W. (DFL)	Waldorf, Gene (DFL)
Laidig, Gary W. (IR)	Wegscheid, Darril (DFL)
Langseth, Keith (DFL)	

*DFL—Democratic-Farmer-Labor

**IR—Independent Republican

Senate Leaders

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

Officers of the Senate

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

Desk Assistants to the Secretary of the Senate:

Colleen J. Barry	Third Assistant Secretary
Tony Kwilas	Desk Assistant

FIFTY-SIXTH DAY

St. Paul, Minnesota, Tuesday, February 9, 1988

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

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rev. Philip J. Weiler.

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

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

The President declared a quorum present.

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

Various reports were filed during the 1987 interim by Retirement and Relief Associations and are filed in the office of the Secretary of the Senate; also reports made by Legislative Audit Commission on various state institutions and boards; Department of Public Safety, Children's Trust Fund of Minnesota, 1987; Department of Energy and Economic Development, Minnesota Set-Aside Program, Activities of the Minnesota Department of Trade and Economic Development, 1986-1987; Southwest Regional Development Commission, Overall Work Program, 1988; Department of Labor and Industry, Workers' Compensation Advisory Council Report, 1986; Charitable Gambling Control Board, Annual Report, 1987; Department of Administration, Summary Report of the Non-Health Related Licensing Boards' Biennial Reports, 1985-1986; Ethical Practices Board, Campaign Finance Summary, 1986; Ethical Practices Board, Annual Report, 1986-1987; Indian Affairs Council, Annual Report, 1987; Board of Animal Health, Annual Report,

1986-1987; Department of Administration, Building Codes and Standards Division, Storm Shelters in All New Construction for Above-Grade Single Family Housing, 1988; Metropolitan Council, Feasibility of Establishing a Manufactured Home Park Development Fund, 1987; Legislative Auditor, Annual Report, 1987; University of Minnesota, Rosemount Research Center Cleanup, Fire and Life Safety, PCB Removal Asbestos Treatment and Removal and Upgrade for Physically Handicapped, Status Report, 1988; Department of Jobs and Training, Surplus Commodities Program Report, 1988; Metropolitan Waste Control Commission, Program Budget, 1988; Metropolitan Council, Regional Parks Operation and Maintenance Funds, 1987; Metropolitan Council, Annual Report, 1987; Metropolitan Council, Annual Report Appendix, 1987; Regional Transit Board, Work Program and Budget, 1988; Minnesota Housing Finance Agency, Municipal Housing Bond Programs, 1987; University of Minnesota, U of M Task Force, Feasibility of Establishing a Center for Alternative Methods to Animal Testing; Department of Labor and Industry, Labor Standards Division, Prevailing Wage Certifications, 1987; Regional Transit Board, Federal Grant Reciprocity for Transit Operating and Capital Assistance in the Twin Cities Metropolitan Area, 1987; Department of Jobs and Training, Single Contract Plan for Delivery of Human Services Programs with Community Action Agencies, 1988; Department of Jobs and Training, Use of Community Services Block Grant Discretionary Funds, 1988; Hazardous Substance Injury Compensation Board, Assistance to Persons With Injuries or Losses Due to Releases of Hazardous Substances, Annual Report, 1987; Department of Revenue, Study on Income Allocation and Apportionment Rules With Respect to Income From Highly Technologically Related Agricultural Production, 1988; Department of Agriculture, Weather Modification Activities Report, 1987; Department of Health, Human Health Effects of Low-Level Radiation and World-Wide Health Impact of the Chernobyl Reactor Accident, 1987; Department of Agriculture, Shade Tree Program, 1983-1986; State Court Administrator, State Court Report, 1985-1986; Department of Human Services, Chemical Dependency Program Division, Federal Alcohol and Drug Abuse Block Grant, Annual Report, 1987; State Auditor, Revenues, Expenditures, and Debt of the Cities in Minnesota, 1986; Crime Victim and Witness Advisory Council, Crime Victims Reparations Board, Twelfth Annual Report, 1986-1987; Department of Agriculture, Agricultural Land Preservation Program, Status Report, 1988; Department of Finance, Prompt Payment Report, 1988; Department of Trade and Economic Development, Rural Development Board, Legislative Report, 1987.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

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

July 10, 1987

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment as Commissioner of the Department of Human Rights is hereby respectfully submitted to the Senate for confirmation as required by law:

Stephen W. Cooper, 1758 Selby Ave., St. Paul, Ramsey County, has been appointed by me, effective July 31, 1987, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Judiciary.)

July 17, 1987

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointments to the Charitable Gambling Control Board are hereby respectfully submitted to the Senate for confirmation as required by law:

Jane A. Elsen, 5419 Maryland Ave. N., Crystal, Hennepin County, has been appointed by me, effective July 1, 1987, for a term expiring June 30, 1990.

Rita Fassbinder, 813 - 23rd Ave. N.E., Minneapolis, Hennepin County, has been appointed by me, effective July 1, 1987, for a term expiring June 30, 1990.

Louis A. Murray, 445 River Dr. S.E., East Grand Forks, Polk County, has been appointed by me, effective July 1, 1987, for a term expiring June 30, 1990.

Rozann Prich, 14965 - 18th Ave. N., Plymouth, Hennepin County, has been appointed by me, effective July 1, 1987, for a term expiring June 30, 1990.

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

July 17, 1987

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointments to the Minnesota World Trade Center Corporation Board of Directors are hereby respectfully submitted to the Senate for confirmation as required by law:

Paul Rexford Thatcher, 15 S. 1st St., Minneapolis, Hennepin County, has been appointed by me, effective July 1, 1987, for a term expiring the first Monday in January, 1992.

Arnold Aberman, 8900 Minnehaha Cir., Minneapolis, Hennepin County, has been appointed by me, effective July 1, 1987, for a term expiring the first Monday in January, 1994.

Ronald M. Bosrock, 1814 Hillcrest, St. Paul, Ramsey County, has been appointed by me, effective July 1, 1987, for a term expiring the first Monday in January, 1990.

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

July 17, 1987

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

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

B. Elaine Markey, 3045 Boone Ave. N., New Hope, Hennepin County, has been appointed by me, effective July 21, 1987, for a term expiring the first Monday in January, 1989.

(Referred to the Committee on Education.)

July 27, 1987

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointments to the Minnesota Racing Commission are hereby respectfully submitted to the Senate for confirmation as required by law:

Norbert R. Berg, 1835 Eagle Ridge Dr., Mendota Heights, Dakota County, has been appointed by me, effective July 29, 1987, for a term expiring June 30, 1993.

Donald B. Shank, 115 Ponderosa Dr., Gilbert, St. Louis County, has been appointed by me, effective July 29, 1987, for a term expiring June 30, 1993.

Dan Gustafson, 2932 Jersey Ave. N., Crystal, Hennepin County, has been appointed by me, effective July 29, 1987, for a term expiring June 30, 1993.

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

August 27, 1987

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment as Commissioner of the Minnesota Pollution Control Agency is hereby respectfully submitted to the Senate for confirmation as required by law:

Gerald L. Willet, 207 Mill Rd., Park Rapids, Hubbard County, has been appointed by me, effective November 15, 1987, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Environment and Natural Resources.)

September 9, 1987

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment to the Public Utilities Commission is hereby respectfully submitted to the Senate for confirmation as required by law:

Norma McKanna, 612 E. 16th St., Hibbing, St. Louis County, has been appointed by me, effective December 1, 1987, for a term expiring the first Monday in January, 1990.

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

September 29, 1987

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

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

Milton Radjenovich, Box 667, 604 Jones Ave., Buhl, St. Louis County, has been appointed by me, effective September 29, 1987, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Environment and Natural Resources.)

October 6, 1987

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment to the State Board of Vocational Technical Education is hereby respectfully submitted to the Senate for confirmation as required by law:

Lenore Quick, 320 Mitchell Ave., Hibbing, St. Louis County, has been appointed by me, effective January 1, 1988, for a term expiring the first Monday in January, 1992.

(Referred to the Committee on Education.)

October 16, 1987

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

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

Edward Toussaint, Jr., 4415 Arden View Ct., Arden Hills, Ramsey County,

has been appointed by me, effective September 21, 1987, for a term expiring the first Monday in January, 1989.

(Referred to the Committee on Employment.)

November 16, 1987

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointments to the Minnesota Public Facilities Authority are hereby respectfully submitted to the Senate for confirmation as required by law:

William J. Janklow, 100 S. 5th St., Minneapolis, Hennepin County, has been appointed by me, effective November 18, 1987, for a term expiring the first Monday in January, 1989.

Marilyn A. Krueger, 4126 Jay St., Duluth, St. Louis County, has been appointed by me, effective November 18, 1987, for a term expiring the first Monday in January, 1990.

Susan K. Edel, 70 Hillsdale Ct., Winona, Winona County, has been appointed by me, effective November 18, 1987, for a term expiring the first Monday in January, 1991.

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

December 16, 1987

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

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

David Fisher, 5047 Gladstone Ave. S., Minneapolis, Hennepin County, has been appointed by me, effective December 20, 1987, for a term expiring the first Monday in January, 1989.

(Referred to the Committee on Local and Urban Government.)

January 27, 1988

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointments to the State Board for Community Colleges are hereby respectfully submitted to the Senate for confirmation as required by law:

Richard M. Niemiec, 4239 Harriet Ave. S., Minneapolis, Hennepin County, has been appointed by me, effective January 26, 1988, for a term expiring the first Monday in January, 1992.

Lee Antell, 648 - 129th Ave. N.E., Blaine, Anoka County, has been appointed by me, effective January 26, 1988, for a term expiring the first Monday in January, 1992.

(Referred to the Committee on Education.)

January 27, 1988

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointments to the Waste Management Board are hereby respectfully submitted to the Senate for confirmation as required by law:

Edith Kelly, 1022 Elm, Alexandria, Douglas County, has been appointed by me, effective January 26, 1988, for a term expiring the first Monday in January, 1992.

Howard A. Andersen, 1072 Plummer Ln., Rochester, Olmsted County, has been appointed by me, effective January 26, 1988, for a term expiring the first Monday in January, 1992.

(Referred to the Committee on Environment and Natural Resources.)

January 29, 1988

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

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

Paul A. Sobocinski, Rt. 1, Box 104, Wabasso, Redwood County, has been appointed by me, effective January 26, 1988, for a term expiring the first Monday in January, 1992.

(Referred to the Committee on Agriculture.)

Sincerely,
Rudy Perpich, Governor

MOTIONS AND RESOLUTIONS

Mr. Langseth moved that the name of Mr. DeCramer be added as a co-author to S.F. No. 244. The motion prevailed.

Mr. Knaak moved that his name be stricken as a co-author to S.F. No. 273. The motion prevailed.

Mr. Cohen moved that the name of Mr. Marty be added as a co-author to S.F. No. 297. The motion prevailed.

Ms. Reichgott moved that her name be stricken as chief author and the name of Mr. Solon be added as chief author to S.F. No. 468. The motion prevailed.

Mr. Hughes moved that the name of Mr. Stumpf be added as a co-author

to S.F. No. 722. The motion prevailed.

Mrs. McQuaid moved that her name be stricken as chief author, shown as a co-author, and the name of Mr. Chmielewski be added as chief author to S.F. No. 860. The motion prevailed.

Mr. Diessner moved that the names of Mr. Pehler, Ms. Piper and Mr. Storm be added as co-authors to S.F. No. 1324. The motion prevailed.

Mr. Diessner moved that his name be stricken as chief author, shown as a co-author and the name of Mr. Spear be shown as chief author to S.F. No. 1324. The motion prevailed.

Mr. Berg moved that his name be stricken as a co-author to S.F. No. 1547. The motion prevailed.

Messrs. Jude; Moe, R.D.; Ramstad; Dicklich and Marty introduced—
Senate Resolution No. 78: A Senate resolution thanking the Minnesota Twins for a tremendous 1987 baseball season.

Referred to the Committee on Rules and Administration.

Messrs. Moe, R.D.; Benson and Luther introduced—
Senate Resolution No. 79: A Senate resolution thanking the Minnesota Twins for a tremendous 1987 baseball season.

Referred to the Committee on Rules and Administration.

Mr. Ramstad introduced—
Senate Resolution No. 80: A Senate resolution congratulating the Wayzata High School Trojans Boys Soccer Team for winning Second Place in the 1987 State Class AA Soccer Tournament.

Referred to the Committee on Rules and Administration.

Mr. Ramstad introduced—
Senate Resolution No. 81: A Senate resolution congratulating Dr. Joseph C. Kiser for receiving the Humanitarian of the Year Award from the National American Legion Auxiliary.

Referred to the Committee on Rules and Administration.

Mr. Ramstad introduced—
Senate Resolution No. 82: A Senate resolution congratulating Roger Lipelt of Wayzata High School on being named the Class AA Football Coach of the Year.

Referred to the Committee on Rules and Administration.

Mr. DeCramer introduced—
Senate Resolution No. 83: A Senate resolution extending congratulations to the citizens of the city of Tyler, Minnesota, on their Centennial Celebration, July 2 to 5, 1987.

Referred to the Committee on Rules and Administration.

Mr. Renneke introduced—

Senate Resolution No. 84: A Senate resolution congratulating the boys' football team from Silver Lake High School for winning the 1987 Class Nine-Man State High School Football Championship.

Referred to the Committee on Rules and Administration.

Mr. Jude introduced—

Senate Resolution No. 85: A Senate resolution congratulating the Hamel Hawks Men's Baseball Team for winning the 1987 Minnesota State Amateur Baseball Championship.

Referred to the Committee on Rules and Administration.

Mr. Jude introduced—

Senate Resolution No. 86: A Senate resolution congratulating Sergeant John J. Benver for over 32 years of service to the Hennepin County Sheriff's Department.

Referred to the Committee on Rules and Administration.

Mr. Jude introduced—

Senate Resolution No. 87: A Senate resolution congratulating Detective Archie W. Sonenstahl for over 32 years of service to the Hennepin County Sheriff's Department.

Referred to the Committee on Rules and Administration.

Mr. Jude introduced—

Senate Resolution No. 88: A Senate resolution congratulating Special Deputy Cornelius O. Dorweiler for 33 years of volunteer service to the Hennepin County Sheriff's Department.

Referred to the Committee on Rules and Administration.

Ms. Reichgott introduced—

Senate Resolution No. 89: A Senate resolution congratulating St. Therese Home, Inc., of New Hope, Minnesota, on its 20th Anniversary.

Referred to the Committee on Rules and Administration.

Ms. Reichgott introduced—

Senate Resolution No. 90: A Senate resolution congratulating Art Cunningham of Crystal for earning the 1987 Minnesota Human Rights Award.

Referred to the Committee on Rules and Administration.

Ms. Reichgott introduced—

Senate Resolution No. 91: A Senate resolution commending the District 281 Comprehensive Arts Program for receiving the Selection of Excellence award.

Referred to the Committee on Rules and Administration.

Mr. Moe, R.D. introduced—

Senate Resolution No. 92: A Senate resolution relating to mileage; setting the miles traveled by members of the Senate in going to and returning from the Capitol.

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

That Senate Resolution No. 11, relating to mileage, Senate Permanent Journal pages 29-30, be amended as follows:

Page 1, after line 24, insert:

DECKER, Bob 465

Page 2, line 9, delete:

WILLET, Gerald L. (air 340) 410

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

Mr. Moe, R.D. introduced—

Senate Resolution No. 93: A Senate resolution providing for Senate committee assignments.

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

That Senate Resolution No. 3 relating to standing committees of the Senate for the 75th session, Senate Permanent Journal, pages 11-14, be amended as follows:

Agriculture - ~~45~~ 16

Add: Decker

Education - ~~24~~ 22

Add: Decker

Elections and Ethics - ~~44~~ 10

Delete: Willet

Environment and Natural Resources - ~~48~~ 17

Delete: Willet, Chair

Add: Lessard, Chair

Finance - 28

Delete: Willet

Add: Wegscheid

General Legislation and Public Gaming - ~~40~~ 9

Delete: Lessard, Chair

Add: Lantry, Chair

Governmental Operations - ~~44~~ 12

Add: Decker

Local and Urban Government - 10

Delete: Wegscheid

Add: Lessard

Rules and Administration - 30

Delete: Willet

Add: Lantry

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

Mr. Moe, R.D. introduced—

Senate Resolution No. 94: A Senate resolution relating to expenses of interns.

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

For the 1988 session of the 75th Legislature, each member of the Senate may be reimbursed for the cost of meals and transportation furnished by the member to any volunteer interns assisting with the member's work, up to a maximum of \$35 during each week the Legislature is in session.

Requests for reimbursement must be submitted to the Secretary of the Senate monthly on forms provided for this purpose and must include a certification by the member that the amounts for which reimbursement is sought have been paid to the interns.

The Secretary of the Senate shall prepare and issue warrants for payment of intern expenses from the Senate legislative expense fund.

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

The question was taken on the adoption of the resolution.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

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

The motion prevailed. So the resolution was adopted.

Mr. Moe, R.D. introduced—

Senate Resolution No. 95: A Senate resolution relating to postage.

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

For the 1988 session of the 75th Legislature, the Secretary of the Senate may purchase postage to furnish each member of the Senate 4,500 stamps.

Each member named as chair of a standing committee in the Senate resolution designating committee assignments may be furnished with an additional 1,000 stamps for the necessary business of the committee.

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

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

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

The question was taken on the adoption of the resolution.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

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

The motion prevailed. So the resolution was adopted.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Messrs. Johnson, D.J.; Marty; Morse; Mes. Reichgott and Berglin introduced—

S.F. No. 1554: A bill for an act relating to taxation; property tax refunds; restoring the full amount for 1986 claims; removing the appropriation limit for 1987 claims; appropriating money; amending Laws 1987, chapter 268, article 3, section 12.

Referred to the Committee on Taxes and Tax Laws.

Mr. Pogemiller, Mes. Berglin; Peterson, D.C.; Messrs. Cohen and Beckman introduced—

S.F. No. 1555: A bill for an act relating to taxation; property tax refunds; restoring the full amount for 1986 claims; removing the appropriation limit for 1987 claims; appropriating money; amending Laws 1987, chapter 268, article 3, section 12.

Referred to the Committee on Taxes and Tax Laws.

Mr. Marty introduced—

S.F. No. 1556: A bill for an act relating to building standards; adopting a uniform act for the application of building and fire-related codes to existing buildings; proposing coding for new law in Minnesota Statutes, chapter 16B.

Referred to the Committee on Economic Development and Housing.

Messrs. Laidig, Knaak and Belanger introduced—

S.F. No. 1557: A bill for an act relating to taxation; income; allowing a subtraction over three years for previously taxed retirement contributions; amending Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19b; proposing coding for new law in Minnesota Statutes, chapter 290.

Referred to the Committee on Taxes and Tax Laws.

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

S.F. No. 1558: A bill for an act relating to taxation; allocating proceeds of the motor vehicle excise tax; amending Minnesota Statutes 1987 Supplement, section 297B.09, subdivision 1.

Referred to the Committee on Transportation.

Messrs. Frederickson, D.R.; Merriam; Davis; Benson and Novak introduced—

S.F. No. 1559: A bill for an act relating to the environment; prohibiting the sale of certain plastic containers; providing penalties; authorizing rule-making; proposing coding for new law in Minnesota Statutes, chapter 115A.

Referred to the Committee on Environment and Natural Resources.

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

S.F. No. 1560: A bill for an act relating to human services; requiring the commissioner to publish and update a medical transportation services handbook for providers who participate in the medical assistance program; amending Minnesota Statutes 1986, section 256B.04, subdivision 12.

Referred to the Committee on Health and Human Services.

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

S.F. No. 1561: A bill for an act relating to game and fish; prohibiting the use of meat in baiting bears; amending Minnesota Statutes 1986, section 97B.425.

Referred to the Committee on Environment and Natural Resources.

Mr. Vickerman introduced—

S.F. No. 1562: A bill for an act relating to agriculture; protecting certain persons from eviction from agricultural land for a limited time; amending Minnesota Statutes 1986, section 500.24, by adding a subdivision.

Referred to the Committee on Agriculture.

Mr. Knutson, Mrs. McQuaid, Ms. Olson and Mr. Frederickson, D.R. introduced—

S.F. No. 1563: A bill for an act relating to taxation; income; allowing a subtraction for distributions of previously taxed retirement contributions; amending Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19b.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Frederickson, D.R.; DeCramer and Mehrkens introduced—

S.F. No. 1564: A bill for an act relating to traffic regulations; regulating the operation of motorized bicycles; amending Minnesota Statutes 1987 Supplement, section 169.223.

Referred to the Committee on Transportation.

Mr. Schmitz introduced—

S.F. No. 1565: A bill for an act relating to the city of Jordan; enabling the city to issue tax anticipation certificates.

Referred to the Committee on Taxes and Tax Laws.

Mrs. Adkins, Messrs. Vickerman, Schmitz and Jude introduced—

S.F. No. 1566: A bill for an act relating to taxation; property; classifying certain utility property; amending Minnesota Statutes 1986, section 273.13, by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

Mses. Reichgott and Piper introduced—

S.F. No. 1567: A bill for an act relating to adoption; providing for lowering the age requirement for adopted persons requesting original birth certificate information; amending Minnesota Statutes 1986, section 259.49, subdivision 1.

Referred to the Committee on Judiciary.

Mr. Vickerman introduced—

S.F. No. 1568: A bill for an act relating to game and fish; providing an experimental open season for angling two weeks earlier in certain areas south of United States trunk highway No. 12 and in Hennepin, Anoka, Ramsey, and Washington counties; amending Minnesota Statutes 1986, section 97C.395, subdivision 1, and by adding a subdivision.

Referred to the Committee on Environment and Natural Resources.

Mr. Vickerman introduced—

S.F. No. 1569: A bill for an act relating to transportation; removing restrictions on the funding of tourist information centers; repealing Minnesota Statutes 1987 Supplement, section 161.52.

Referred to the Committee on Transportation.

Mr. Spear introduced—

S.F. No. 1570: A bill for an act relating to financial institutions; providing for the licensing of residential secondary mortgage market lenders and loan officers; prescribing examination and educational requirements; detailing the supervisory powers of the commissioner of commerce; creating a residential secondary mortgage market lender advisory task force and detailing its powers and duties; appropriating money; amending Minnesota Statutes 1987 Supplement, section 82.17, subdivision 4; repealing Minnesota Statutes 1986, section 82.175; proposing coding for new law as Minnesota Statutes, chapter 57.

Referred to the Committee on Commerce.

Mr. Laidig introduced—

S.F. No. 1571: A bill for an act relating to education; prohibiting certain punishment in schools; providing for civil liability; proposing coding for new law in Minnesota Statutes, chapter 127.

Referred to the Committee on Education.

Mr. Davis introduced—

S.F. No. 1572: A bill for an act relating to Mille Lacs county; authorizing sale of certain tax-forfeited land.

Referred to the Committee on Environment and Natural Resources.

Mr. Benson introduced—

S.F. No. 1573: A bill for an act relating to game and fish; removing an age minimum from the law governing issuance of turkey licenses; amending Minnesota Statutes 1986, section 97A.435, subdivision 2.

Referred to the Committee on Environment and Natural Resources.

Mr. Schmitz introduced—

S.F. No. 1574: A bill for an act relating to real property; mandating that city of Savage is owner in fee simple of title to certain land.

Referred to the Committee on Local and Urban Government.

Mr. Berg introduced—

S.F. No. 1575: A bill for an act relating to game and fish; imposing a fee for issuance of game and fish stamps; clarifying when a trout and salmon stamp is required and responsibility for road-kill deer; amending Minnesota Statutes 1986, section 97C.305; Minnesota Statutes 1987 Supplement, sections 97A.475, subdivisions 6 and 7; 97A.485, subdivision 6; and 97A.502; repealing Minnesota Statutes 1987 Supplement, section 97A.451, subdivision 1.

Referred to the Committee on Environment and Natural Resources.

Messrs. Merriam, Waldorf, Kroening, Langseth and Samuelson introduced—

S.F. No. 1576: A bill for an act relating to appropriations; eliminating an appropriation to the greater Minnesota fund; amending Minnesota Statutes 1987 Supplement, section 16A.1541.

Referred to the Committee on Finance.

Mr. Dicklich introduced—

S.F. No. 1577: A bill for an act relating to retirement; public employees retirement association; permitting certain employees to purchase credit for prior service for which no salary deductions were made for the association.

Referred to the Committee on Governmental Operations.

Mr. Dicklich introduced—

S.F. No. 1578: A bill for an act relating to retirement; teachers retirement association; entitling the surviving spouses of certain retired members to a joint and survivor annuity.

Referred to the Committee on Governmental Operations.

Ms. Berglin introduced—

S.F. No. 1579: A bill for an act relating to health; establishing an insurance information program for seniors to be financed by a surcharge on license fees for insurance agents; appropriating money; amending Minnesota Statutes 1986, section 60A.14, by adding a subdivision; and Minnesota Statutes 1987 Supplement, sections 60A.14, subdivision 1; and 256.9742, by adding a subdivision.

Referred to the Committee on Health and Human Services.

Mr. Frederickson, D.R. introduced—

S.F. No. 1580: A bill for an act relating to nursing homes; creating an exception to the moratorium on certification of nursing home beds; amending Minnesota Statutes 1987 Supplement, section 144A.071, subdivision 3.

Referred to the Committee on Health and Human Services.

Ms. Peterson, D.C. introduced—

S.F. No. 1581: A bill for an act relating to local government; providing for reports on certain improvements in cities of the first class; amending Minnesota Statutes 1987 Supplement, section 430.102, subdivision 1.

Referred to the Committee on Local and Urban Government.

Ms. Berglin introduced—

S.F. No. 1582: A bill for an act relating to marriage dissolution; providing for child support enforcement; specifying conditions for judgment by operation of law; amending Minnesota Statutes 1986, sections 256.87, subdivisions 1, 1a, and 6; 257.66, subdivision 5; 518.55, subdivision 2; 518.551, subdivision 9; 518C.17, subdivision 1; 548.091, subdivisions 2, 3, and by

adding a subdivision; and Minnesota Statutes 1987 Supplement, section 548.091, subdivision 1.

Referred to the Committee on Health and Human Services.

Ms. Berglin, Messrs. Vickerman and Pogemiller introduced—

S.F. No. 1583: A bill for an act relating to state services for the blind and visually handicapped; clarifying the relationship between federal and state laws regarding supervision of vending stands; clarifying utilization of receipts in the revolving fund; providing that certain department of jobs and training data be classified as public data; regulating the disposition of certain reimbursements received by the commissioner of jobs and training; amending Minnesota Statutes 1986, sections 13.791, subdivision 1; and 248.07, subdivisions 7 and 12; Minnesota Statutes 1987 Supplement, section 248.07, subdivision 8; repealing Minnesota Statutes 1986, section 136.26.

Referred to the Committee on Health and Human Services.

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

S.F. No. 1584: A bill for an act relating to human services; regarding duties of the commissioner of human services and the state advisory council on mental health; providing for a subcommittee; creating a children's mental health service system; amending Minnesota Statutes 1987 Supplement, sections 245.696, subdivision 2; and 245.697, subdivision 2, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 245.

Referred to the Committee on Health and Human Services.

Messrs. Frederick, Benson, Mehrkens, Purfeerst and Mrs. Lantry introduced—

S.F. No. 1585: A bill for an act relating to taxation; sales and use; exempting passenger restraint systems for children; amending Minnesota Statutes 1986, section 297A.25, by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

Mr. Vickerman introduced—

S.F. No. 1586: A bill for an act relating to motor vehicles; defining terms; imposing licensing conditions related to places of business of motor vehicle dealers; amending Minnesota Statutes 1986, section 168.27, subdivisions 1, 10, and by adding a subdivision.

Referred to the Committee on Transportation.

Mr. Vickerman introduced—

S.F. No. 1587: A bill for an act relating to transportation; authorizing vending machines in certain highway rest areas, weigh stations, and tourist information centers; amending Minnesota Statutes 1986, section 160.28, subdivision 2.

Referred to the Committee on Transportation.

Messrs. Vickerman and Beckman introduced—

S.F. No. 1588: A bill for an act relating to health; making technical modifications of the immunization law; amending Minnesota Statutes 1986, section 123.70, subdivisions 1, 2, 3, 4, 5, 7, 8, and 9.

Referred to the Committee on Health and Human Services.

Mr. Vickerman introduced—

S.F. No. 1589: A bill for an act relating to public safety; appropriating fees charged by state patrol for escort services; proposing coding for new law in Minnesota Statutes, chapter 299D.

Referred to the Committee on Transportation.

Mr. Vickerman introduced—

S.F. No. 1590: A bill for an act relating to transportation; providing that uniform relocation assistance standards comply with recent amendments to federal law; authorizing commissioner of transportation to accept gifts to department; appropriating gift funds to commissioner; exempting lessees of highway easement property from tax on its use and possession; providing that governmental body may file deed conveying partial parcel of land without current taxes having been paid on whole parcel; repealing conflicting provision related to charges for users of air transportation services provided by the commissioner of transportation; amending Minnesota Statutes 1986, section 161.20, by adding a subdivision; Minnesota Statutes 1987 Supplement, sections 117.52, subdivision 1; 272.01, subdivision 3; and 272.121; repealing Minnesota Statutes 1986, section 360.015, subdivision 20.

Referred to the Committee on Transportation.

Mr. Kroening, Ms. Peterson, D.C. and Mr. Pogemiller introduced—

S.F. No. 1591: A bill for an act relating to state finances; providing for the cancellation of combined sewer overflow loan repayments to the state by the city of Minneapolis upon certain conditions.

Referred to the Committee on Environment and Natural Resources.

Mr. Purfeerst, Mrs. Lantry, Messrs. Langseth, Mehrkens and DeCramer introduced—

S.F. No. 1592: A bill for an act relating to transportation; increasing the tax on gasoline and special fuel to 20 cents per gallon; increasing the share of motor vehicle excise tax revenues dedicated to highways and transit to 35 percent; amending Minnesota Statutes 1986, section 296.02, subdivision 1b; and Minnesota Statutes 1987 Supplement, sections 296.025, subdivisions 2a and 2b; and 297B.09, subdivision 1.

Referred to the Committee on Transportation.

Mr. Purfeerst, Mrs. Lantry, Messrs. Langseth, Mehrkens and DeCramer introduced—

S.F. No. 1593: A bill for an act relating to transportation; creating a transportation study board and prescribing its duties; appropriating money.

Referred to the Committee on Transportation.

Mrs. Lantry introduced—

S.F. No. 1594: A bill for an act relating to human services; providing for definitions, exclusions, access to records, and period of receivership under the human services licensing act; liability of the state for municipal inspection functions; amending Minnesota Statutes 1986, section 466.132; and Minnesota Statutes 1987 Supplement, sections 245A.02, subdivision 13; 245A.03, subdivision 2; 245A.04, subdivisions 3 and 5; 245A.095, subdivision 1; and 245A.13, subdivision 5; repealing Minnesota Statutes 1987 Supplement, sections 256D.01, subdivision 1d; and 256D.37, subdivision 5.

Referred to the Committee on Health and Human Services.

Mr. Bertram introduced—

S.F. No. 1595: A bill for an act relating to state agencies; returning the control of the Minnesota veterans home to the department of veterans affairs.

Referred to the Committee on Veterans.

Mr. Bertram introduced—

S.F. No. 1596: A bill for an act relating to state agencies; delaying the effective date of an executive reorganization order transferring control of the Minnesota veterans home; amending Minnesota Statutes 1986, section 16B.37, subdivision 2.

Referred to the Committee on Veterans.

Mr. Bertram introduced—

S.F. No. 1597: A bill for an act relating to traffic regulations; providing for safety of school safety patrol members; amending Minnesota Statutes 1986, section 169.21, subdivision 2.

Referred to the Committee on Transportation.

Mr. Bertram introduced—

S.F. No. 1598: A bill for an act relating to environment; requiring notice of changes in solid waste facility permits to be given to local governments; proposing coding for new law in Minnesota Statutes, chapter 116.

Referred to the Committee on Environment and Natural Resources.

Mr. Bertram introduced—

S.F. No. 1599: A bill for an act relating to transportation; reenacting certain amendments to legislation providing for sound abatement measures along highways.

Referred to the Committee on Transportation.

Mr. Bertram introduced—

S.F. No. 1600: A bill for an act relating to taxation; income; excluding certain volunteer firefighters lump sum distributions; amending Laws 1987, chapter 268, article 1, section 13.

Referred to the Committee on Taxes and Tax Laws.

Mr. Bertram introduced—

S.F. No. 1601: A bill for an act relating to retirement; granting military service credit to certain state employees; proposing coding for new law in Minnesota Statutes, chapter 352.

Referred to the Committee on Governmental Operations.

Mr. Bertram introduced—

S.F. No. 1602: A bill for an act relating to natural resources; designating the white-tailed deer as the official state mammal; proposing coding for new law in Minnesota Statutes, chapter 1.

Referred to the Committee on Environment and Natural Resources.

Mr. Bertram introduced—

S.F. No. 1603: A bill for an act relating to motor vehicles; providing that adjutant general may retain special national guard license plates on leaving office; amending Minnesota Statutes 1986, section 168.12, subdivision 2c.

Referred to the Committee on Veterans.

Mr. Bertram introduced—

S.F. No. 1604: A resolution memorializing the President and Congress of the United States to permit deceased Reserve and National Guard members to be buried in a national cemetery on the same basis as members of the federal armed forces.

Referred to the Committee on Veterans.

Messrs. Diessner, Hughes and Schmitz introduced—

S.F. No. 1605: A bill for an act relating to local government; requiring representation on water commissions or boards of cities of the first class for municipality where treatment plant is located; proposing coding for new law in Minnesota Statutes, chapter 412.

Referred to the Committee on Local and Urban Government.

Mr. Beckman introduced—

S.F. No. 1606: A bill for an act relating to transportation; adding new route to trunk highway system in substitution of existing route, subject to turnback agreement; directing revisor of statutes to make route substitution.

Referred to the Committee on Transportation.

Mses. Peterson, D.C.; Berglin; Messrs. Spear, Pogemiller and Brandl introduced—

S.F. No. 1607: A bill for an act relating to the city of Minneapolis; providing for the appointment, compensation, and liability of certain city employees and contractors; amending Laws 1969, chapter 937, section 1, subdivision 9, as amended, and 9a; Laws 1980, chapter 607, article 15, section 21; and Laws 1987, chapter 55, section 2.

Referred to the Committee on Local and Urban Government.

Ms. Peterson, D.C.; Messrs. Pogemiller and Brandl introduced—

S.F. No. 1608: A bill for an act relating to the city of Minneapolis; updating references in its development laws; amending Laws 1980, chapter 595, section 3, subdivisions 1, as amended, 3, 6, and 7; and section 4.

Referred to the Committee on Local and Urban Government.

Mr. Schmitz, Mrs. Adkins, Messrs. Vickerman; Frederickson, D.J. and Renneke introduced—

S.F. No. 1609: A bill for an act relating to taxation; income; excluding certain volunteer firefighters lump sum distributions; amending Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19b.

Referred to the Committee on Taxes and Tax Laws.

Mr. Bertram introduced—

S.F. No. 1610: A bill for an act relating to advertising devices; providing for specific service signs relating to rural commercial businesses to be displayed along highways; amending Minnesota Statutes 1986, sections 160.292, subdivisions 2, 10, and by adding a subdivision; and 160.293, subdivisions 1 and 3.

Referred to the Committee on Transportation.

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

S.F. No. 1611: A bill for an act relating to taxation; liquor; increasing the tax credit for qualified brewers of fermented malt beverages; amending Minnesota Statutes 1986, section 297C.02, subdivision 3.

Referred to the Committee on Taxes and Tax Laws.

Mrs. McQuaid, Messrs. Decker and Bernhagen introduced—

S.F. No. 1612: A bill for an act relating to transportation; allocating motor vehicle excise tax proceeds; amending Minnesota Statutes 1987 Supplement, section 297B.09, subdivision 1.

Referred to the Committee on Transportation.

Mr. Peterson, R.W. introduced—

S.F. No. 1613: A bill for an act relating to traffic regulations; broadening criminal liability of passengers under the open bottle law; amending Minnesota Statutes 1986, section 169.122, subdivision 2.

Referred to the Committee on Judiciary.

Mr. Waldorf introduced—

S.F. No. 1614: A bill for an act relating to education; extending shared time foundation aid to cover pupils enrolling at eligible institutions under the post-secondary enrollment options act; amending Minnesota Statutes 1986, section 124A.034, subdivisions 1 and 2.

Referred to the Committee on Education.

Messrs. Jude and Knaak introduced—

S.F. No. 1615: A bill for an act relating to real property; providing a restriction on the duration of conditions affecting certain real property; providing an exemption for the city of North Oaks; amending Minnesota Statutes 1986, section 500.20, by adding a subdivision.

Referred to the Committee on Judiciary.

Messrs. Frederickson, D.J.; Peterson, R.W.; Pehler and Moe, R.D. introduced—

S.F. No. 1616: A bill for an act relating to education; approving a capital loan; directing the commissioner of finance to issue bonds to make the loan to independent school district No. 637, Redwood Falls.

Referred to the Committee on Education.

Mses. Berglin, Piper, Messrs. Freeman and Pogemiller introduced—

S.F. No. 1617: A bill for an act relating to human services; creating a task force to study building code standards for family and group family day care homes; changing building code requirements concerning certain child care facilities; amending Minnesota Statutes 1987 Supplement, section 16B.61, subdivision 3.

Referred to the Committee on Health and Human Services.

Messrs. Bertram, Wegscheid and Vickerman introduced—

S.F. No. 1618: A bill for an act relating to armories; increasing the limit on bonded indebtedness; amending Minnesota Statutes 1986, section 193.143.

Referred to the Committee on Veterans.

Messrs. Spear, Brandl and Pogemiller introduced—

S.F. No. 1619: A bill for an act relating to crimes; repealing the law prohibiting ticket scalping; repealing Minnesota Statutes 1986, section 609.805.

Referred to the Committee on Judiciary.

Ms. Piper introduced—

S.F. No. 1620: A bill for an act relating to human services; regulating payments for certain services for adults with mental retardation and related conditions; providing protection for the mentally retarded; providing for therapeutic work activities; negotiating medical assistance utilization review

appeals; regulating child support; amending Minnesota Statutes 1986, section 246.56; Minnesota Statutes 1987 Supplement, sections 252.41, subdivision 7; 252.46, subdivisions 1, 2, 3, 4, 5, and 12; 252.47; 252A.111, subdivision 6; 254B.05, subdivision 1; 254B.09, subdivision 5; 256B.04, subdivision 15; and 518.64, subdivision 2.

Referred to the Committee on Health and Human Services.

Messrs. Stumpf, Lessard, Langseth and Moe, R.D. introduced—

S.F. No. 1621: A bill for an act relating to natural resources; allowing mowing of ditches at different times in the northern and southern areas of the state; amending Minnesota Statutes 1986, section 160.232.

Referred to the Committee on Environment and Natural Resources.

Messrs. Stumpf, Davis, Berg, DeCramer and Beckman introduced—

S.F. No. 1622: A bill for an act relating to agriculture; clarifying which debtors are eligible for mediation; amending Minnesota Statutes 1986, section 583.24, subdivision 2.

Referred to the Committee on Agriculture.

Messrs. Stumpf, Lessard, Langseth and Berg introduced—

S.F. No. 1623: A bill for an act relating to natural resources; designating the white-tailed deer as the official state mammal; proposing coding for new law in Minnesota Statutes, chapter 1.

Referred to the Committee on Environment and Natural Resources.

Mr. Knaak and Ms. Peterson, D.C. introduced—

S.F. No. 1624: A bill for an act relating to education; providing for desegregation incentives; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 124.

Referred to the Committee on Education.

Mses. Berglin and Peterson, D.C. introduced—

S.F. No. 1625: A bill for an act relating to corrections; establishing a shelter for battered American Indian women; appropriating money.

Referred to the Committee on Health and Human Services.

Ms. Berglin introduced—

S.F. No. 1626: A bill for an act relating to human services; amending Minnesota Statutes 1987 Supplement, section 245A.11, subdivision 3, and by adding a subdivision.

Referred to the Committee on Health and Human Services.

Ms. Berglin introduced—

S.F. No. 1627: A bill for an act relating to human services; authorizing the use of AFDC priority group child care assistance money for priority caretakers who are former AFDC recipients but continue to require child

care assistance; requiring counties to place former AFDC priority caretakers who continue to need child care assistance at the top of the waiting list for the regular sliding fee child care program; amending Minnesota Statutes 1987 Supplement, section 268.91, subdivisions 3b and 4.

Referred to the Committee on Health and Human Services.

Ms. Berglin introduced—

S.F. No. 1628: A bill for an act relating to human services; revising and clarifying the duties and powers of the ombudsman for mental health and mental retardation; transferring money; amending Minnesota Statutes 1987 Supplement, sections 245.91, subdivisions 2, 3, and 4; 245.92; 245.94, subdivisions 1, 2, 3, and 4; 245.95, subdivision 1; 245.97, subdivision 1; 626.556, subdivisions 9 and 10; and 626.557, subdivision 9.

Referred to the Committee on Health and Human Services.

Messrs. Marty, Morse, Beckman, Wegscheid and Jude introduced—

S.F. No. 1629: A bill for an act relating to taxation; income; allowing a subtraction for distributions of previously taxable retirement contributions; amending Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19b.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Morse, Beckman, Marty and Wegscheid introduced—

S.F. No. 1630: A bill for an act relating to taxation; income; allowing a subtraction for distributions of previously taxable employee contributions to governmental pension plans; amending Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19b.

Referred to the Committee on Taxes and Tax Laws.

MEMBERS EXCUSED

Mr. Johnson, D.E. was excused from the Session of today. Mr. Chmielewski was excused from the Session of today from 2:00 to 2:10 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Thursday, February 11, 1988. The motion prevailed.

FIFTY-SEVENTH DAY

St. Paul, Minnesota, Thursday, February 11, 1988

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

CALL OF THE SENATE

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

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

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

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

The President declared a quorum present.

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

MEMBERS EXCUSED

Messrs. Beckman, Gustafson, Hughes and Johnson, D.E. were excused from the Session of today.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

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

February 2, 1988

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

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

Shirley Van Dyck, Rt. 3, Box 135, Cass Lake, Cass County, has been appointed by me, effective January 26, 1988, for a term expiring the first Monday in January, 1992.

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

February 4, 1988

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointments to the Minnesota Higher Education Facilities Authority are hereby respectfully submitted to the Senate for confirmation as required by law:

John McHugh, 4018 W. 65th St., Minneapolis, Hennepin County, has been appointed by me, effective January 26, 1988, for a term expiring the first Monday in January, 1992.

Catherine Warrick, 829 S. Lexington Pkwy., St. Paul, Ramsey County, has been appointed by me, effective January 26, 1988, for a term expiring the first Monday in January, 1992.

(Referred to the Committee on Education.)

Sincerely,
Rudy Perpich, Governor

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 232: A bill for an act relating to crimes; expanding the definition of crime for victims' rights provisions to include ordinance violations resulting in bodily harm; expanding crimes that entitle victim to notice of plea agreement; granting right to victim to submit an impact statement to the court; requiring officers to give victims a notice of their rights; requiring prosecutors to present to the court a written victim impact summary prepared by the victim; ensuring privacy of victim's request for notice of prisoner release; amending Minnesota Statutes 1986, sections 611A.01; 611A.02; and 611A.06; proposing coding for new law in Minnesota Statutes, chapter 611A; repealing Minnesota Statutes 1986, section 611A.03, subdivision 3.

Senate File No. 232 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 18, 1987

Mr. Cohen moved that the Senate do not concur in the amendments by the House to S.F. No. 232, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion did not prevail.

Mr. Cohen moved that S.F. No. 232 be laid on the table. The motion prevailed.

REPORTS OF COMMITTEES

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

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred for proper reference under Rule 35:

S.F. No. 1498 reports the same back with the recommendation that the bill be re-referred as follows:

S.F. No. 1498 to the Committee on Transportation.

Report adopted.

MOTIONS AND RESOLUTIONS

Ms. Peterson, D.C. moved that the name of Mr. Morse be added as a co-author to S.F. No. 247. The motion prevailed.

Mr. Vickerman moved that the names of Ms. Piper and Mr. Purfeerst be added as co-authors to S.F. No. 1569. The motion prevailed.

Mr. Laidig moved that the name of Mr. Spear be added as a co-author to S.F. No. 1571. The motion prevailed.

Mr. Dicklich moved that the name of Mr. Vickerman be added as a co-author to S.F. No. 1577. The motion prevailed.

Mr. Vickerman moved that the name of Ms. Piper be added as a co-author to S.F. No. 1587. The motion prevailed.

Mr. Bertram moved that the names of Messrs. Diessner, Lessard, Vickerman and Decker be added as co-authors to S.F. No. 1595. The motion prevailed.

Mr. Bertram moved that the names of Messrs. Lessard, Vickerman, Decker and Diessner be added as co-authors to S.F. No. 1596. The motion prevailed.

Mr. Bertram moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 1603. The motion prevailed.

Ms. Piper moved that the name of Ms. Berglin be added as a co-author to S.F. No. 1620. The motion prevailed.

Mr. Stumpf moved that the name of Mr. Bernhagen be added as a co-author to S.F. No. 1623. The motion prevailed.

Ms. Berglin moved that the name of Ms. Piper be added as a co-author to S.F. No. 1627. The motion prevailed.

Ms. Berglin moved that the names of Mr. Samuelson, Ms. Peterson, D.C.; Mr. Benson and Ms. Piper be added as co-authors to S.F. No. 1628. The motion prevailed.

Ms. Berglin moved that S.F. No. 1582 be withdrawn from the Committee on Health and Human Services and re-referred to the Committee on Judiciary. The motion prevailed.

Mr. Diessner moved that S.F. No. 39 be withdrawn from the Committee on Local and Urban Government and returned to its author. The motion prevailed.

Mr. Diessner moved that S.F. No. 42 be withdrawn from the Committee on General Legislation and Public Gaming and returned to its author. The motion prevailed.

Mr. Diessner moved that S.F. No. 57 be withdrawn from the Committee on Judiciary and returned to its author. The motion prevailed.

Mr. Diessner moved that S.F. No. 107 be withdrawn from the Committee on Judiciary and returned to its author. The motion prevailed.

Mr. Diessner moved that S.F. No. 126 be withdrawn from the Committee on Judiciary and returned to its author. The motion prevailed.

Mr. Diessner moved that S.F. No. 435 be withdrawn from the Committee on Employment and returned to its author. The motion prevailed.

Mr. Diessner moved that S.F. No. 1059 be withdrawn from the Committee on Judiciary and returned to its author. The motion prevailed.

Mr. Diessner moved that S.F. No. 1527 be withdrawn from the Committee on Judiciary and returned to its author. The motion prevailed.

Mr. Vickerman moved that S.F. No. 1589 be withdrawn from the Committee on Transportation and returned to its author. The motion prevailed.

Mr. Bertram moved that S.F. No. 1599 be withdrawn from the Committee on Transportation and returned to its author. The motion prevailed.

Ms. Reichgott introduced—

Senate Resolution No. 96: A Senate resolution commending Trevilla of Robbinsdale's Resident Council on winning the 1987 Robbinsdale Human Rights Award.

Referred to the Committee on Rules and Administration.

Mr. Bertram introduced—

Senate Resolution No. 97: A Senate resolution congratulating American Legion Post 341, Pierz, Minnesota, and its Auxiliary, on their 25th Anniversary on South Main Street.

Referred to the Committee on Rules and Administration.

Mr. Bertram introduced—

Senate Resolution No. 98: A Senate resolution proclaiming Veterans' Awareness Day on February 18, 1988.

Referred to the Committee on Rules and Administration.

Mr. Bertram introduced—

Senate Resolution No. 99: A Senate resolution honoring Ron Backes in his quest for Olympic track team membership.

Referred to the Committee on Rules and Administration.

Mr. Bertram introduced—

Senate Resolution No. 100: A Senate resolution commending the Metropolitan Sports Facilities Commission on the decision to fly the POW-MIA flag at the Metrodome.

Referred to the Committee on Rules and Administration.

Mr. Bertram introduced—

Senate Resolution No. 101: A Senate resolution proclaiming April 9 as American Ex-Prisoner of War Recognition Day in Minnesota.

Referred to the Committee on Rules and Administration.

Mr. Berg introduced—

Senate Resolution No. 102: A Senate resolution memorializing the Commodity Futures Trading Commission to adopt rules to restrict speculative short sales and short sale orders of an agricultural commodity that is in oversupply.

Referred to the Committee on Agriculture.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Mr. Knaak introduced—

S.F. No. 1631: A bill for an act relating to taxation; income; excluding certain volunteer firefighters lump sum distributions; amending Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19b.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Knaak and Jude introduced—

S.F. No. 1632: A bill for an act relating to the metropolitan area; authorizing coordinated erosion and sediment control programs by water management organizations and the Association of Metropolitan Soil and Water Conservation Districts.

Referred to the Committee on Environment and Natural Resources.

Messrs. Storm and Benson introduced—

S.F. No. 1633: A bill for an act relating to elections; eliminating the requirement that state agencies assist in voter registration; repealing Minnesota Statutes 1987 Supplement, section 201.162.

Referred to the Committee on Elections and Ethics.

Mr. Johnson, D.J. introduced—

S.F. No. 1634: A bill for an act relating to local government; making explicit the power of towns to take certain action at a special meeting; amending Minnesota Statutes 1986, section 477A.018, subdivision 1.

Referred to the Committee on Local and Urban Government.

Mr. Johnson, D.J. introduced—

S.F. No. 1635: A bill for an act relating to human services; providing for swing bed payments under medical assistance in certain circumstances; amending Minnesota Statutes 1987 Supplement, section 256B.02, subdivision 8.

Referred to the Committee on Health and Human Services.

Messrs. Benson; Mehrkens; Larson; Moe, R.D. and Purfeerst introduced—

S.F. No. 1636: A bill for an act relating to education; establishing educational cooperative school districts; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 122.

Referred to the Committee on Education.

Mr. Mehrkens introduced—

S.F. No. 1637: A bill for an act relating to human services; allowing continued hospitalization for a person on a ventilator who has been hospitalized for 30 years; appropriating money.

Referred to the Committee on Health and Human Services.

Mr. Lessard introduced—

S.F. No. 1638: A bill for an act relating to taxation; repealing requirement that employer withhold delinquent taxes of employee; repealing Minnesota Statutes 1986, section 290.92, subdivision 23.

Referred to the Committee on Taxes and Tax Laws.

Mr. Moe, R.D. introduced—

S.F. No. 1639: A bill for an act relating to retirement; authorizing combined service annuities for volunteer firefighters; amending Minnesota Statutes 1986, section 424A.02, by adding a subdivision.

Referred to the Committee on Governmental Operations.

Messrs. Wegscheid and Metzen introduced—

S.F. No. 1640: A bill for an act relating to state historic sites; authorizing sale of state bonds; appropriating money for the William G. LeDuc House.

Referred to the Committee on Finance.

Mr. Cohen introduced—

S.F. No. 1641: A bill for an act relating to taxation; sales; including bulletproof vests in the definition of exempt clothing; amending Minnesota

Statutes 1986, section 297A.25, subdivision 8.

Referred to the Committee on Taxes and Tax Laws.

Mr. Knaak introduced—

S.F. No. 1642: A bill for an act relating to education; requiring the formation of intermediate districts statewide; proposing coding for new law in Minnesota Statutes, chapter 136D.

Referred to the Committee on Education.

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

S.F. No. 1643: A bill for an act relating to crimes; child abuse; eliminating the need to show emotional harm in proving unreasonable restraint or malicious punishment of a child; amending Minnesota Statutes 1986, sections 609.255, subdivision 3; and 609.377.

Referred to the Committee on Judiciary.

Messrs. Marty, Jude and Belanger introduced—

S.F. No. 1644: A bill for an act relating to statutes; revising the text of certain laws to remove redundant and obsolete language, to simplify grammar and syntax, and to improve the style of language without causing changes in the meaning of the laws; amending Minnesota Statutes 1986, chapters 3, as amended; 31A; 227; 228; 306, as amended; 451; 456; and 560.

Referred to the Committee on Judiciary.

Messrs. Marty, Jude and Belanger introduced—

S.F. No. 1645: A bill for an act relating to Minnesota Statutes; correcting erroneous, ambiguous, omitted, and obsolete references and text; eliminating certain redundant, conflicting, and superseded provisions; providing instructions to the revisor; making miscellaneous corrections to statutes and other laws; amending Minnesota Statutes 1986, sections 10A.01, subdivisions 5 and 18; 13.46, subdivision 2; 116.44, subdivision 1; 121.931, subdivision 5; 126.70, subdivision 2; 127.35; 129B.40, subdivision 1; 145.921; 157.03; 176.081, subdivision 1; 176.101, subdivision 3e; 176.421, subdivision 7; 205.065, subdivision 1; 205.18, subdivision 2; 245.77; 256.991; 268.04, subdivision 32; 273.124, subdivision 6; 290.05, subdivision 3; 290.50, subdivision 3; 290.92, subdivision 23; 308.11; 383B.229; 473.605, subdivision 2; 473.845, subdivision 1; 485.018, subdivision 2; 515A.3-115; 548.09, subdivision 2; 611A.53, subdivision 1; Minnesota Statutes 1987 Supplement, sections 16A.26; 16A.661, subdivision 3; 105.81; 120.05, subdivision 2; 124.646, subdivision 1; 129B.39; 136D.71; 144.122; 145A.07, subdivision 1; 176.131, subdivision 1; 214.01, subdivision 2; 256.01, subdivision 2; 256B.69, subdivision 16; 256D.03, subdivision 4; 256G.02, subdivision 4; 256G.06; 257.354, subdivision 4; 268.91, subdivision 3e; 297.07, subdivision 3; 297.35, subdivision 3; 298.2211, subdivision 1; 352.01, subdivision 2b; 353.01, subdivision 2a; 383B.77; 469.121, subdivision 1; 469.129, subdivision 1; 469.170, subdivisions 1, 3, 7, and 8; 471.562, subdivision 4; 471.563; 474A.02, subdivision 18; 525.94, subdivision 3; 582.041, subdivision 2; reenacting Minnesota Statutes 1987

Supplement, section 80A.14, subdivision 18; repealing Minnesota Statutes 1986, sections 226.01; 226.02; 226.03; 226.04; 226.05; 226.06; 260.125, subdivision 6; 326.01, subdivision 21; 362A.08; repealing Laws 1965, chapter 267, section 1; Laws 1971, chapter 830, section 7; Laws 1976, chapters 134, sections 2 and 30; 163, section 10; Laws 1977, chapter 35, section 8; Laws 1978, chapters 496, section 1; 706, section 31; Laws 1979, chapters 48, section 2; 184, section 3; Laws 1981, chapter 271, section 1; Laws 1982, chapter 514, section 15; Laws 1983, chapters 242, section 1; 247, sections 38 and 130; 289, section 4; 290, sections 2 and 3; 299, section 26; 303, sections 21 and 22; Laws 1985, First Special Session chapter 9, article 2, sections 81, 82, and 88; Laws 1986, chapters 312, section 1; 400, section 43; 452, section 17; Laws 1986, First Special Session chapter 3, article 1, sections 74 and 79; and Laws 1987, chapters 268, article 5, section 5; 384, article 2, section 25; 385, section 7; 403, article 5, section 1; 404, section 138.

Referred to the Committee on Judiciary.

Messrs. DeCramer and Luther introduced—

S.F. No. 1646: A bill for an act relating to insurance; accident and health; clarifying certain coverages for newborn infants; amending Minnesota Statutes 1986, section 62A.042.

Referred to the Committee on Commerce.

Messrs. Frederick, Ramstad and Larson introduced—

S.F. No. 1647: A bill for an act relating to driving while intoxicated; authorizing judges to order convicted DWI offenders to install an approved ignition interlock device as a condition of operating a motor vehicle; authorizing the department of public safety to require installation of an ignition interlock device as a condition of a limited license; requiring the department of public safety to certify interlock devices; providing penalties for misuse or tampering, and for failure to use the device; proposing coding for new law in Minnesota Statutes, chapter 169.

Referred to the Committee on Transportation.

Messrs. Hughes; Moe, R.D.; Waldorf; Pehler and Taylor introduced—

S.F. No. 1648: A bill for an act relating to education; entering into the Midwestern Education Compact; proposing coding for new law in Minnesota Statutes, chapter 121; repealing Minnesota Statutes 1986, sections 121.843; 121.844; and 121.845.

Referred to the Committee on Education.

Messrs. Hughes; Peterson, R.W.; Pehler; Dicklich and Knutson introduced—

S.F. No. 1649: A bill for an act relating to education; establishing a committee on education organization; requiring the committee to study and report about a learning year program; appropriating money.

Referred to the Committee on Education.

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

S.F. No. 1650: A bill for an act relating to human services; providing for the eligibility for and calculation of general assistance and AFCD grants; amending Minnesota Statutes 1986, sections 256.73, subdivisions 2 and 6; 256.76, subdivision 1; 256D.02, subdivision 7, and by adding a subdivision; 256D.06, by adding a subdivision; and 256D.07; Minnesota Statutes 1987 Supplement, sections 256D.01, subdivision 1a; and 256D.06, subdivision 1.

Referred to the Committee on Health and Human Services.

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

S.F. No. 1651: A bill for an act relating to agriculture; creating a laboratory services account in the state treasury; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 17.

Referred to the Committee on Agriculture.

Messrs. Knaak, Cohen, Freeman, Knutson and Jude introduced—

S.F. No. 1652: A bill for an act relating to marriage dissolution; providing for the valuation of pension benefits; amending Minnesota Statutes 1987 Supplement, section 518.582, subdivision 1.

Referred to the Committee on Judiciary.

Messrs. Knaak; Wegscheid; Peterson, R.W. and Ms. Peterson, D.C. introduced—

S.F. No. 1653: A bill for an act relating to the legislature; creating a legislative commission on metropolitan school desegregation; appropriating money.

Referred to the Committee on Education.

Messrs. Benson, Samuelson, Taylor, Larson and Anderson introduced—

S.F. No. 1654: A bill for an act relating to human services; retaining community work experience program; amending Minnesota Statutes 1987 Supplement, section 256.737, subdivision 1.

Referred to the Committee on Health and Human Services.

Messrs. Larson, Decker, Anderson and Renneke introduced—

S.F. No. 1655: A bill for an act relating to taxation; income; excluding certain compensation for military services; amending Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19b.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Larson, Decker, Anderson and Renneke introduced—

S.F. No. 1656: A bill for an act relating to taxation; income; restoring the pension exclusion and removing age limits; repealing the credit for

elderly and disabled persons; amending Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19b; proposing coding for new law in Minnesota Statutes, chapter 290; repealing Minnesota Statutes 1987 Supplement, section 290.06, subdivision 20.

Referred to the Committee on Taxes and Tax Laws.

Mr. Samuelson, Mses. Peterson, D.C.; Berglin and Mr. Pogemiller introduced—

S.F. No. 1657: A bill for an act relating to human services; clarifying the authority of the ombudsman for mental health and mental retardation; declaring that the methods, policies, and protocol established by the ombudsman are not administrative rules; amending Minnesota Statutes 1987 Supplement, section 245.94, subdivision 1.

Referred to the Committee on Health and Human Services.

Messrs. Samuelson; Vickerman; Frederickson, D.J.; Chmielewski and Renneke introduced—

S.F. No. 1658: A bill for an act relating to hospitals; requiring prompt payment; establishing rates for small hospitals; requiring interim payments to hospitals; amending Minnesota Statutes 1986, sections 16A.124, subdivision 4, and by adding a subdivision; and 256.969, by adding a subdivision; and Minnesota Statutes 1987 Supplement, section 256.969, subdivision 3.

Referred to the Committee on Health and Human Services.

Ms. Reichgott, Messrs. Pogemiller; Johnson, D.J. and Merriam introduced—

S.F. No. 1659: A bill for an act relating to taxation; providing or altering certain requirements for the use of tax increment financing; amending Minnesota Statutes 1986, section 475.51, subdivision 5; Minnesota Statutes 1987 Supplement, sections 469.174, subdivision 10; 469.175, subdivisions 1, 2, 3, and 4; 469.176, subdivisions 1, 4, and 6; 469.177, subdivisions 1, 3, and 4, and by adding a subdivision; and 469.179.

Referred to the Committee on Economic Development and Housing.

Messrs. Brandl, Chmielewski, Mses. Berglin, Piper and Mr. Benson introduced—

S.F. No. 1660: A bill for an act relating to family law; making surrogate mother agreements void and unenforceable; prohibiting advertisements for surrogate mothers; prohibiting the arranging of surrogate mother agreements; proposing coding for new law in Minnesota Statutes, chapters 257 and 259.

Referred to the Committee on Judiciary.

Mrs. Lantry, Messrs. Berg, Davis, Samuelson and Anderson introduced—

S.F. No. 1661: A bill for an act relating to charitable gambling; changing the definition of lawful purpose expenditures; amending Minnesota Statutes 1987 Supplement, section 349.12, subdivision 11.

Referred to the Committee on General Legislation and Public Gaming.

Messrs. Purfeerst, Decker, Lessard, Novak and Johnson, D.J. introduced—

S.F. No. 1662: A bill for an act relating to natural resources; defining state forest management roads; providing for the establishment, construction, administration, and maintenance of state forest management roads; dedicating a portion of gasoline and special fuels taxes to use on state forest roads; amending Minnesota Statutes 1986, sections 89.001, by adding a subdivision; 89.19; and 296.421, by adding a subdivision; Minnesota Statutes 1987 Supplement, section 296.16, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 89.

Referred to the Committee on Transportation.

Mrs. Lantry, Mr. Brandl, Ms. Berglin, Mrs. Brataas and Mr. Benson introduced—

S.F. No. 1663: A bill for an act relating to health; allowing certified nurse-midwives to prescribe and administer certain drugs; amending Minnesota Statutes 1986, sections 148.171; and 151.01, subdivision 23.

Referred to the Committee on Health and Human Services.

Messrs. Anderson, Frederick, Mehrkens, Mrs. McQuaid and Ms. Olson introduced—

S.F. No. 1664: A bill for an act relating to transportation; allocating portion of positive unrestricted budgetary general fund balance to highway user tax distribution fund and transit assistance fund; repealing allocation to greater Minnesota fund; providing for allocation of motor vehicle excise tax revenues; proposing amendment to Minnesota Constitution requiring that net motor vehicle excise tax revenues be allocated to highway user tax distribution fund and transit assistance fund; amending Minnesota Statutes 1987 Supplement, sections 16A.1541; and 297B.09.

Referred to the Committee on Transportation.

Mr. Dahl introduced—

S.F. No. 1665: A bill for an act relating to environment; authorizing the pollution control agency to train certain persons involved with sewage treatment systems and to charge a training fee; appropriating money; amending Minnesota Statutes 1986, section 115.03, subdivision 1.

Referred to the Committee on Environment and Natural Resources.

Messrs. Mehrkens, Knutson and Wegscheid introduced—

S.F. No. 1666: A bill for an act relating to intermediate school districts; permitting certain school districts to become a participating school district of intermediate school district number 917; amending Minnesota Statutes 1986, section 136D.81.

Referred to the Committee on Education.

Mr. Larson introduced—

S.F. No. 1667: A bill for an act relating to Becker county; authorizing issuance of one on-sale liquor license on an excursion and dinner boat on Detroit Lake.

Referred to the Committee on Commerce.

Mr. Spear, Ms. Reichgott, Messrs. Taylor, Laidig and Cohen introduced—

S.F. No. 1668: A bill for an act relating to civil actions; imposing civil liability for the theft of merchandise and shopping carts; proposing coding for new law in Minnesota Statutes, chapter 332.

Referred to the Committee on Judiciary.

Mr. Dicklich introduced—

S.F. No. 1669: A bill for an act relating to the operation of the state displaced homemaker program; providing assistance to displaced homemakers; appropriating money.

Referred to the Committee on Finance.

Mr. Dicklich introduced—

S.F. No. 1670: A bill for an act relating to human services; creating a limited exception to nursing home historical property cost limitations; appropriating money; amending Minnesota Statutes 1986, section 256B.431, by adding a subdivision.

Referred to the Committee on Health and Human Services.

Mr. Pehler, Ms. Reichgott, Mr. Moe, R.D.; Ms. Peterson, D.C. and Mr. Benson introduced—

S.F. No. 1671: A bill for an act relating to education; directing the commissioner of education to implement a liaison program to disseminate information about AIDS; proposing coding for new law in Minnesota Statutes, chapter 126.

Referred to the Committee on Education.

Messrs. Pehler, Pogemiller, Ms. Reichgott and Mr. Stumpf introduced—

S.F. No. 1672: A bill for an act relating to housing; repealing the expiration date of housing and redevelopment authorities' power to provide interest reduction assistance; repealing Minnesota Statutes 1987 Supplement, section 469.012, subdivision 10.

Referred to the Committee on Economic Development and Housing.

Mr. Pehler introduced—

S.F. No. 1673: A bill for an act relating to the city of St. Cloud; authorizing an on-sale liquor license for the St. Cloud Civic Center.

Referred to the Committee on Commerce.

Mr. Dahl introduced—

S.F. No. 1674: A bill for an act relating to environment; prescribing criminal penalties for violation of certain statutes, rules, or permits relating to pollution control; amending Minnesota Statutes 1987 Supplement, section 115.071, subdivision 2; and 609.671.

Referred to the Committee on Environment and Natural Resources.

Mr. Spear introduced—

S.F. No. 1675: A bill for an act relating to actions; restoring pre-1986 status to computing awards of future damages; repealing Minnesota Statutes 1986, section 604.07.

Referred to the Committee on Judiciary.

Mr. Frederickson, D.J.; Ms. Berglin, Messrs. Berg, Vickerman and Morse introduced—

S.F. No. 1676: A bill for an act relating to human services; expanding the definition of "qualified occupational therapist" for purposes of medical assistance reimbursement.

Referred to the Committee on Health and Human Services.

Messrs. Pehler; Dicklich; Johnson, D.J.; Benson and Morse introduced—

S.F. No. 1677: A bill for an act relating to taxation; allowing a corporate franchise tax credit for certain employee retraining expenses; amending Minnesota Statutes 1987 Supplement, section 290.092, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 290.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Lessard, Stumpf, Merriam, Novak and Berg introduced—

S.F. No. 1678: A bill for an act relating to natural resources; establishing a controlled burn program; requiring permits for controlled burns; providing assistance for controlled burns; establishing the position of controlled burn coordinator; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 84.

Referred to the Committee on Environment and Natural Resources.

Mr. Metzen introduced—

S.F. No. 1679: A bill for an act relating to health; establishing summer temperature and humidity requirements for nursing homes; creating a review process for nursing home air conditioning and ventilation projects; requiring a report; appropriating money; amending Minnesota Statutes 1986, sections 144A.08, by adding a subdivision; and 256B.431, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 144A.

Referred to the Committee on Health and Human Services.

Ms. Berglin and Mr. Brandl introduced—

S.F. No. 1680: A bill for an act relating to human services; prohibiting reduction of benefits to persons receiving ERISA services; requiring HMO subscriber contracts and plans of health coverage that provide dependent coverage to cover dependents not residing with the covered employee; providing a time period within which the state agency may file and enforce a lien; providing that certain items must not be included as cash or liquid assets in determining medical assistance eligibility; providing that certain aliens are eligible to receive medical assistance; modifying eligibility criteria for supplemental aid recipients and applicants; amending Minnesota Statutes 1986, sections 62E.04, by adding subdivisions; 256B.14, subdivision 2; 256D.35, by adding a subdivision; and 256D.37, subdivision 2, and by adding subdivisions; Minnesota Statutes 1987 Supplement, sections 256.015, subdivision 2; 256.936; 256B.031, subdivision 5; 256B.042, subdivision 2; 256B.06, subdivisions 1 and 4; and 256D.37, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 62D.

Referred to the Committee on Health and Human Services.

Messrs. Freeman, Luther, Marty, Morse and Ms. Piper introduced—

S.F. No. 1681: A bill for an act relating to insurance; accident and health; exempting child health supervision services and prenatal care services from any requirement of coinsurance or dollar limitation; proposing coding for new law in Minnesota Statutes, chapter 62A.

Referred to the Committee on Commerce.

Messrs. Lessard; Wegscheid; Moe, R.D.; Bernhagen and Merriam introduced—

S.F. No. 1682: A bill for an act relating to environment; prohibiting sale of certain beverage containers with nondegradable connectors; amending Minnesota Statutes 1986, section 325E.03, subdivision 1.

Referred to the Committee on Environment and Natural Resources.

Mr. Anderson, Mrs. Lantry and Mr. Berg introduced—

S.F. No. 1683: A bill for an act relating to liquor; regulating on-sale license fees for retail sale of intoxicating liquor; amending Minnesota Statutes 1986, section 340A.408, subdivision 2.

Referred to the Committee on Commerce.

Messrs. Purfeerst; Johnson, D.J.; Dicklich; Morse and Ramstad introduced—

S.F. No. 1684: A bill for an act relating to game and fish; authorizing the use of two lines in angling; amending Minnesota Statutes 1986, section 97C.315, subdivision 1.

Referred to the Committee on Environment and Natural Resources.

Messrs. Pogemiller, Luther and Kroening introduced—

S.F. No. 1685: A bill for an act relating to state government; removing certain limitations on the export finance authority working capitol account;

repealing Laws 1987, chapter 358, section 31.

Referred to the Committee on Finance.

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

S.F. No. 1686: A bill for an act relating to agriculture; prescribing procedure for delivery of dry edible beans from a grain warehouse; requiring the grade of dry edible beans on warehouse receipts; prescribing a delivery charge; amending Minnesota Statutes 1986, sections 223.16, subdivision 4; 232.21, subdivision 7; and 232.23, by adding a subdivision.

Referred to the Committee on Agriculture.

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

S.F. No. 1687: A bill for an act relating to natural resources; making changes in certain laws relating to forestry; amending Minnesota Statutes 1986, sections 88.19; 89.01, subdivision 5, and by adding a subdivision; 89.17; and 89.19.

Referred to the Committee on Environment and Natural Resources.

Messrs. Schmitz and Wegscheid introduced—

S.F. No. 1688: A bill for an act relating to aeronautics; prohibiting the metropolitan airports commission from extending, expanding, or constructing runways at Airlake airport.

Referred to the Committee on Local and Urban Government.

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

S.F. No. 1689: A bill for an act relating to game and fish; closing date for fishing season on the Rainy River; repealing Minnesota Statutes 1987 Supplement, section 97C.402.

Referred to the Committee on Environment and Natural Resources.

Messrs. Stumpf, Langseth, Beckman and DeCramer introduced—

S.F. No. 1690: A bill for an act relating to education; making certain changes to program improvement grants; increasing the levy for districts receiving grants; appropriating money; amending Minnesota Statutes 1987 Supplement, sections 129B.11, subdivisions 1 and 2; and 275.125, subdivision 8d.

Referred to the Committee on Education.

Messrs. Berg; Schmitz; Moe, R.D.; Ramstad and Anderson introduced—

S.F. No. 1691: A bill for an act relating to natural resources; allowing aeration of public waters without public access or public riparian land-owners without a permit; requiring the aeration to be posted; amending Minnesota Statutes 1986, section 378.22, by adding a subdivision; and Minnesota Statutes 1987 Supplement, section 378.22, subdivision 2.

Referred to the Committee on Environment and Natural Resources.

Mr. Solon introduced—

S.F. No. 1692: A bill for an act relating to intoxicating liquor; authorizing extended off-sale hours on the day preceding Thanksgiving day; amending Minnesota Statutes 1986, section 340A.504, subdivision 4.

Referred to the Committee on Commerce.

Ms. Peterson, D.C.; Messrs. Spear, Pogemiller, Laidig and Cohen introduced—

S.F. No. 1693: A bill for an act relating to crime victims; authorizing the crime victims reparations board to pay the costs of returning an abducted child home; authorizing the board to determine and award reparations and damage claims from proceeds of a commercial exploitation of a crime; permitting an offender's minor dependents to receive some proceeds of a commercial exploitation of a crime; clarifying certain duties of the crime victim ombudsman; prescribing penalties; amending Minnesota Statutes 1986, sections 611A.56; 611A.67; 611A.68, subdivisions 1, 4, 5, 6, 8, and by adding subdivisions; and 611A.74, subdivision 3; and Minnesota Statutes 1987 Supplement, section 611A.52, subdivision 8; repealing Minnesota Statutes 1986, section 611A.68, subdivision 2.

Referred to the Committee on Judiciary.

Ms. Reichgott, Messrs. Spear and Cohen introduced—

S.F. No. 1694: A bill for an act relating to crime; increasing penalties for selling or renting devices designed to make an unauthorized connection to a cable communications system; amending Minnesota Statutes 1986, section 609.80.

Referred to the Committee on Judiciary.

Ms. Peterson, D.C. introduced—

S.F. No. 1695: A bill for an act relating to education; providing for aversive and deprivation procedures; requiring rules; amending Minnesota Statutes 1987 Supplement, section 626.556, subdivision 2; proposing coding for new law as Minnesota Statutes, chapter 127.

Referred to the Committee on Education.

Messrs. Vickerman and Bertram introduced—

S.F. No. 1696: A bill for an act relating to advertising devices; authorizing advertising on highways of special events at state parks, recreation areas, waysides, monuments, and trails; amending Minnesota Statutes 1986, section 173.08, subdivision 1.

Referred to the Committee on Transportation.

Messrs. Samuelson, Vickerman, Benson, Stumpf and Pehler introduced—

S.F. No. 1697: A bill for an act relating to human services; changing methods of determining rates for nursing homes participating in the medical assistance program; allowing nursing homes to choose to have the commissioner apply rate limits based on the limits of other geographic groups;

amending Minnesota Statutes 1987 Supplement, section 256B.431, subdivision 2b.

Referred to the Committee on Health and Human Services.

Mr. Wegscheid introduced—

S.F. No. 1698: A bill for an act relating to watercraft; requiring lifesaving devices in duck boats; amending Minnesota Statutes 1986, section 361.141, subdivision 1.

Referred to the Committee on Environment and Natural Resources.

Messrs. Diessner and Vickerman introduced—

S.F. No. 1699: A bill for an act relating to Washington county; repealing a provision for county board expenses; repealing Laws 1965, chapter 524, as amended.

Referred to the Committee on Local and Urban Government.

Messrs. Diessner, Laidig and DeCramer introduced—

S.F. No. 1700: A bill for an act relating to metropolitan government; scheduling the payment of certain watershed improvement costs; amending Minnesota Statutes 1986, section 473.883, subdivisions 2 and 4.

Referred to the Committee on Environment and Natural Resources.

Messrs. Pogemiller, Stumpf, Lessard, Ms. Olson and Mr. Frederickson, D.R. introduced—

S.F. No. 1701: A bill for an act relating to natural resources; designating the fossil of the castoroides ohioensis as the state fossil; proposing coding for new law in Minnesota Statutes, chapter 1.

Referred to the Committee on Environment and Natural Resources.

Messrs. Pehler; Peterson, R. W.; Freeman and Mrs. Brataas introduced—

S.F. No. 1702: A bill for an act relating to education; appropriating money for an optical fiber telecommunications system and related interconnections.

Referred to the Committee on Education.

Messrs. Pehler, Freeman and Ms. Peterson, D.C. introduced—

S.F. No. 1703: A bill for an act relating to taxation; property tax refunds; restoring the full amount for 1986 claims; appropriating money; amending Laws 1987, chapter 268, article 3, section 12.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Pehler, Morse, Langseth and Mrs. Brataas introduced—

S.F. No. 1704: A bill for an act relating to taxation; exempting the University of Minnesota, state universities, and community colleges from the sales and use tax and motor vehicle excise tax; providing for refunds;

appropriating money; amending Minnesota Statutes 1987 Supplement, sections 297A.25, subdivision 11; and 297B.03.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Pehler, Decker, Langseth, Morse and Mrs. Lantry introduced—

S.F. No. 1705: A bill for an act relating to education; creating a task force on child care in higher education.

Referred to the Committee on Education.

Messrs. Pehler, Morse and Bertram introduced—

S.F. No. 1706: A bill for an act relating to taxation; property; allowing transfers of land to cities without payment of tax on the entire parcel; amending Minnesota Statutes 1987 Supplement, section 272.121.

Referred to the Committee on Taxes and Tax Laws.

Mr. Wegscheid introduced—

S.F. No. 1707: A bill for an act relating to appropriations; appropriating money for grants to agricultural societies and associations.

Referred to the Committee on Finance.

Messrs. Dahl and Solon introduced—

S.F. No. 1708: A bill for an act relating to credit unions; permitting managers to be directors; providing conditions for the expulsion of members; amending Minnesota Statutes 1986, sections 52.08; and 52.19.

Referred to the Committee on Commerce.

Mr. Chmielewski introduced—

S.F. No. 1709: A bill for an act relating to capital improvements; providing funds for tourist facilities at Cloquet; authorizing sale of state bonds; appropriating money.

Referred to the Committee on Finance.

Mr. Chmielewski introduced—

S.F. No. 1710: A bill for an act relating to insurance; clarifying powers of state compensation insurance fund; amending Minnesota Statutes 1987 Supplement, section 176A.04; proposing coding for new law in Minnesota Statutes, chapter 176A.

Referred to the Committee on Employment.

Mr. Chmielewski introduced—

S.F. No. 1711: A bill for an act relating to Aitkin county; permitting the county to regulate certain public land interests by ordinance.

Referred to the Committee on Local and Urban Government.

Mr. Chmielewski introduced—

S.F. No. 1712: A bill for an act relating to retirement; authorizing a previously retired public employee who is reemployed to resume contributions to the public employees retirement fund.

Referred to the Committee on Governmental Operations.

Mr. Chmielewski introduced—

S.F. No. 1713: A bill for an act relating to state lands; authorizing private sale of certain tax-forfeited lands in Carlton county.

Referred to the Committee on Environment and Natural Resources.

Mr. Chmielewski introduced—

S.F. No. 1714: A bill for an act relating to health; adding the right to life-sustaining nutrition and hydration to the bill of rights of patients and residents of health care facilities; amending Minnesota Statutes 1986, section 144.651, by adding a subdivision.

Referred to the Committee on Health and Human Services.

Mr. Chmielewski introduced—

S.F. No. 1715: A bill for an act relating to local government; providing conditions for certain county contracts; amending Minnesota Statutes 1986, section 471.345, by adding a subdivision.

Referred to the Committee on Local and Urban Government.

Mr. Chmielewski introduced—

S.F. No. 1716: A bill for an act relating to workers' compensation; providing for payment for rehabilitation of injured workers by the division of rehabilitation services; appropriating money; amending Minnesota Statutes 1986, section 176.104, by adding a subdivision.

Referred to the Committee on Employment.

Mr. Chmielewski introduced—

S.F. No. 1717: A bill for an act relating to natural resources; adding certain land to Jay Cooke State Park in Carlton county.

Referred to the Committee on Environment and Natural Resources.

Mr. Chmielewski introduced—

S.F. No. 1718: A bill for an act relating to public safety; regulating boiler operation; amending Minnesota Statutes 1986, sections 183.411, subdivisions 1, 3, and by adding a subdivision; 183.466; 183.51, subdivisions 4, 7, and 10.

Referred to the Committee on Employment.

Mr. Chmielewski introduced—

S.F. No. 1719: A bill for an act relating to occupational safety and health; regulating penalties for violations; amending Minnesota Statutes 1986,

section 182.666, subdivisions 3, 5a, and 7; Minnesota Statutes 1987 Supplement, section 182.666, subdivisions 1, 2, 4, and 5.

Referred to the Committee on Employment.

Messrs. Pehler, Frank and Langseth introduced—

S.F. No. 1720: A bill for an act relating to traffic regulations; defining "urban district" to provide for speed limits in cities; amending Minnesota Statutes 1986, section 169.01, subdivision 59.

Referred to the Committee on Transportation.

Mr. Chmielewski introduced—

S.F. No. 1721: A bill for an act relating to employment agencies; regulating job listing services; regulating fees and contracts; amending Minnesota Statutes 1986, sections 184.21, subdivision 2, and by adding subdivisions; 184.37, subdivision 1; 184.38, subdivisions 3 and 5.

Referred to the Committee on Employment.

Mr. Chmielewski introduced—

S.F. No. 1722: A bill for an act relating to state lands; permitting the sale of certain tax-forfeited lands that border public waters in the city of Aitkin.

Referred to the Committee on Environment and Natural Resources.

Messrs. Kroening; Pogemiller; Renneke; Johnson, D.J. and Wegscheid introduced—

S.F. No. 1723: A bill for an act relating to the city of Minneapolis; providing for postretirement payments for Minneapolis police officers and Minneapolis firefighters, their surviving spouses and dependents; amending Laws 1949, chapter 406, section 5, by adding a subdivision.

Referred to the Committee on Governmental Operations.

Messrs. Diessner, Vickerman and Laidig introduced—

S.F. No. 1724: A bill for an act relating to highway traffic regulation; permitting certain limits on bicycles on roadways; amending Minnesota Statutes 1986, section 169.222, by adding a subdivision.

Referred to the Committee on Transportation.

Messrs. Diessner, Vickerman, Marty, Jude and Laidig introduced—

S.F. No. 1725: A bill for an act relating to environment; authorizing inspection of certain records kept by waste facilities; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 115A.

Referred to the Committee on Judiciary.

Messrs. Wegscheid and Luther introduced—

S.F. No. 1726: A bill for an act relating to retirement; judges' retirement fund; providing coverage under the combined service annuity, combined

service disability benefit, and combined service survivor benefit provisions; requiring the establishment of a bounce-back joint and survivor optional annuity form; amending Minnesota Statutes 1987 Supplement, sections 356.30, subdivision 3; 356.302, subdivision 7; 356.303, subdivision 4; and 490.124, subdivision 11.

Referred to the Committee on Governmental Operations.

Ms. Piper, Messrs. Marty, Freeman, Pogemiller and Mehrkens introduced—

S.F. No. 1727: A bill for an act relating to government data practices; defining employment and training data as private data on individuals; defining employment and training service providers; defining employment and training services; providing for the dissemination of employment and training data; amending Minnesota Statutes 1987 Supplement, section 13.43, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 13.

Referred to the Committee on Judiciary.

Ms. Piper, Messrs. Peterson, R.W.; Pehler; Johnson, D.J. and Beckman introduced—

S.F. No. 1728: A bill for an act relating to school districts; creating a debt service anticipation levy; amending Minnesota Statutes 1986, sections 121.15, subdivision 3; 275.125, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 124.

Referred to the Committee on Education.

Ms. Peterson, D.C.; Messrs. Merriam and Hughes introduced—

S.F. No. 1729: A bill for an act relating to education; providing for adult basic education programs; creating an advisory task force; providing state aid; authorizing a levy; appropriating money; amending Minnesota Statutes 1987 Supplement, section 275.125, subdivision 8; proposing coding for new law in Minnesota Statutes, chapter 124.

Referred to the Committee on Education.

Messrs. Pehler, Dicklich and Mrs. Brataas introduced—

S.F. No. 1730: A bill for an act relating to the state university board; requiring the board to reimburse the city of St. Cloud for police services; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 136.

Referred to the Committee on Finance.

Mr. Merriam introduced—

S.F. No. 1731: A bill for an act relating to the environment; designating the Willard Munger Trail; amending Minnesota Statutes 1986, section 85.015, subdivision 11.

Referred to the Committee on Environment and Natural Resources.

Ms. Peterson, D.C. introduced—

S.F. No. 1732: A bill for an act relating to labor; regulating the labor-management committee grant program; amending Minnesota Statutes 1986, sections 179.81, subdivisions 2 and 4; 179.82; 179.83, subdivision 1; 179.84, subdivision 1; and 179.85; repealing Minnesota Statutes 1986, sections 179.83, subdivision 2; and 179.84, subdivision 2.

Referred to the Committee on Employment.

Messrs. Diessner, Langseth, Ms. Piper, Messrs. Beckman and Ramstad introduced—

S.F. No. 1733: A bill for an act relating to workers' compensation; recodifying the workers' compensation law in chapter 176; proposing coding for new law as Minnesota Statutes, chapter 176C; repealing Minnesota Statutes 1986 and Minnesota Statutes 1987 Supplement, chapter 176.

Referred to the Committee on Employment.

Messrs. Pehler, Stumpf, Larson and Frederickson, D.J. introduced—

S.F. No. 1734: A bill for an act relating to education; providing up to two years of free secondary school for those over age 20 who are unemployed or on public assistance and who left school before graduating; amending Minnesota Statutes 1986, section 120.06, by adding a subdivision; and Minnesota Statutes 1987 Supplement, section 126.22, subdivisions 2 and 3.

Referred to the Committee on Education.

Messrs. Merriam, Storm, Ramstad, Lessard and Berg introduced—

S.F. No. 1735: A bill for an act relating to game and fish; providing for restitution for wild animals that are illegally killed or injured; providing for civil penalties for wild animals killed or injured; restricting expenditures from restitution to replacement and propagation of wild animals illegally killed or injured; amending Minnesota Statutes 1986, section 97A.065, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 97A.

Referred to the Committee on Environment and Natural Resources.

Ms. Peterson, D.C. introduced—

S.F. No. 1736: A bill for an act relating to crime; prohibiting the display of sexually explicit material deemed harmful to minors in places of public accommodation open to minors; providing a penalty; amending Minnesota Statutes 1986, sections 617.293; and 617.296, subdivision 1, and by adding a subdivision.

Referred to the Committee on Judiciary.

Messrs. Marty, Luther and Morse introduced—

S.F. No. 1737: A bill for an act relating to energy; requiring repairs or inspections of furnaces to include inspection for leaks of noxious gases or provide notice that this type of inspection was not conducted; amending Minnesota Statutes 1986, sections 325F.19, by adding subdivisions; and

325F23, by adding a subdivision.

Referred to the Committee on Public Utilities and Energy.

Ms. Peterson, D.C. introduced—

S.F. No. 1738: A bill for an act relating to criminal sexual conduct; clarifying the definition of "consent"; amending Minnesota Statutes 1986, section 609.341, subdivision 4.

Referred to the Committee on Judiciary.

Messrs. Ramstad and Jude introduced—

S.F. No. 1739: A bill for an act relating to workers' compensation; providing for the calculation of compensation for volunteer firefighters; amending Minnesota Statutes 1986, section 176.011, subdivision 3.

Referred to the Committee on Employment.

Mr. Ramstad, Mrs. McQuaid and Mr. Jude introduced—

S.F. No. 1740: A bill for an act relating to taxation; extending open space property tax treatment to certain recreational uses; amending Minnesota Statutes 1986, section 273.112, subdivision 3.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Ramstad, Jude and Luther introduced—

S.F. No. 1741: A bill for an act relating to civil actions; requiring the judgment creditor to file satisfaction of judgment documents; amending Minnesota Statutes 1986, section 548.15.

Referred to the Committee on Judiciary.

Messrs. Berg and Davis introduced—

S.F. No. 1742: A bill for an act relating to agriculture; clarifying a time-price offer; allowing a preceding former owner to convey the right to receive an offer to buy or lease previously owned agricultural land; restricting the sale or inducement of a sale of agricultural land by a preceding former owner accepting an offer for one year; providing penalties and liability for damages; restricting the period for a debtor to receive a copy of a forbearance policy; amending Minnesota Statutes 1987 Supplement, sections 500.24, subdivisions 6 and 7; and 583.24, subdivision 4.

Referred to the Committee on Agriculture.

Messrs. Berg, Stumpf and Davis introduced—

S.F. No. 1743: A bill for an act relating to agriculture; changing the continuing effect of certain farmer-lender mediation rules; repealing certain conflicting language relating to food handler license fees; amending Laws 1987, chapter 292, section 35; repealing Laws 1987, chapter 358, section 85.

Referred to the Committee on Agriculture.

Mr. Berg, Mmes. Lantry, McQuaid, Messrs. Ramstad and Davis introduced—

S.F. No. 1744: A bill for an act relating to dogs; identifying and requiring licenses for potentially dangerous dogs; requiring licenses for pet stores and sellers who sell and kennels who keep potentially dangerous dogs; imposing a penalty; proposing coding for new law in Minnesota Statutes, chapter 347.

Referred to the Committee on General Legislation and Public Gaming.

Mr. Davis introduced—

S.F. No. 1745: A bill for an act relating to education; approving a capital loan; directing the commissioner of finance to issue bonds to make the loan to independent school district No. 912, Milaca.

Referred to the Committee on Education.

Mr. Johnson, D.J. introduced—

S.F. No. 1746: A bill for an act relating to the city of Eveleth; authorizing benefit increases for certain retired police officers, firefighters, and their surviving spouses.

Referred to the Committee on Governmental Operations.

Messrs. DeCramer; Pehler; Peterson, R.W.; Ms. Peterson, D.C. and Mr. Larson introduced—

S.F. No. 1747: A bill for an act relating to education; expanding the American Indian language and culture program; requiring certain practices relating to American Indian teachers; providing grants for operation of American Indian schools; requiring certain programs to enable American Indians to become teachers; appropriating money; amending Minnesota Statutes 1986, sections 124.48, subdivision 2; 126.45; 126.46; 126.47; 126.49, subdivision 1; 126.51; subdivisions 1, 2, 4, and by adding a subdivision; 126.52; and 126.531; proposing coding for new law in Minnesota Statutes, chapters 126 and 135A; repealing Minnesota Statutes 1986, section 126.51, subdivision 3.

Referred to the Committee on Education.

Messrs. Berg, Lessard, Merriam, Vickerman and Frederickson, D.R. introduced—

S.F. No. 1748: A bill for an act relating to fish and game; providing experimental fox hunting trespass exceptions; providing an experimental 23-day pheasant season; providing an experimental mourning dove season; establishing conditions to take blackbirds, cowbirds, grackles, magpies, and crows causing depredation; amending Minnesota Statutes 1986, sections 97A.015, subdivision 52; 97B.001, subdivision 2, and by adding a subdivision; 97B.715, by adding a subdivision; and 97B.731, subdivision 2, and by adding subdivisions.

Referred to the Committee on Environment and Natural Resources.

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

S.F. No. 1749: A bill for an act relating to the city of Minneapolis; providing conditions for contractors bonds; amending Laws 1980, chapter 595, section 3, by adding a subdivision.

Referred to the Committee on Local and Urban Government.

Messrs. Dicklich; Johnson, D.J. and Ms. Piper introduced—

S.F. No. 1750: A bill for an act relating to utilities; encouraging settlements prior to contested case hearings; authorizing the public utilities commission to extend suspended rates during multiple general rate filings; providing for imposition of interim rates when commission extends suspended rates; amending Minnesota Statutes 1986, sections 216B.16, subdivisions 1a, 2, and 3; and 237.075, subdivisions 2 and 3.

Referred to the Committee on Public Utilities and Energy.

Messrs. Marty; Dicklich; Johnson, D.J. and Ms. Piper introduced—

S.F. No. 1751: A bill for an act relating to utilities; improving the administration of the public utilities commission and the department of public service; encouraging settlements of gas and electric rate cases; authorizing the commission to extend the time period for considering rate cases under certain circumstances; providing for the imposition of interim rates in subsequent rate cases when the commission extends the time period for considering a rate case; requiring the administrative law judge to submit a report to the commission in a rate case within a certain period of time; requiring utilities and telephone companies to make refunds under certain circumstances; providing for commission review of certain utility sales or acquisition of plants located outside the state; deregulating coin-operated telephones and providing minimum standards; requiring telephone companies to provide notice to the commission and department when making certain transactions with affiliated companies; amending Minnesota Statutes 1986, sections 216B.16, subdivisions 1a, 2, and 3; 216B.17, by adding a subdivision; 216B.50, subdivision 1; 237.01, subdivision 2, and by adding a subdivision; 237.075, subdivisions 2 and 3; and 237.081, by adding a subdivision; Minnesota Statutes 1987 Supplement, section 237.65, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 237.

Referred to the Committee on Public Utilities and Energy.

Messrs. Berg; Lessard; Merriam; Frederickson, D.R. and Bernhagen introduced—

S.F. No. 1752: A bill for an act relating to game and fish; prescribing procedures for commissioner's orders; amending Minnesota Statutes 1986, section 97A.051, subdivision 3.

Referred to the Committee on Environment and Natural Resources.

Messrs. Ramstad, Luther and Frederickson, D.R. introduced—

S.F. No. 1753: A bill for an act relating to alcoholic beverages; making certain illegal gifts of alcoholic beverages subject to civil liability; providing for notice of claims; amending Minnesota Statutes 1986, sections 340A.801,

subdivision 4; and 340A.802; Minnesota Statutes 1987 Supplement, section 340A.801, subdivision 1.

Referred to the Committee on Commerce.

Messrs. Pogemiller, Lessard and Merriam introduced—

S.F. No. 1754: A bill for an act relating to economic development; providing methods to remove hazardous substances to facilitate economic development; authorizing loans; appropriating money; amending Minnesota Statutes 1987 Supplement, sections 469.174, subdivision 7, and by adding a subdivision; 469.175, by adding a subdivision; and 469.176, subdivisions 1 and 5; proposing coding for new law in Minnesota Statutes, chapter 116J.

Referred to the Committee on Environment and Natural Resources.

Messrs. Pogemiller; Moe, R.D.; Ms. Peterson, D.C.; Mr. Johnson, D.J. and Ms. Berglin introduced—

S.F. No. 1755: A bill for an act relating to taxation; individual income; modifying computation of the dependent care credit; indexing the income offset for inflation; amending Minnesota Statutes 1986, section 290.067, by adding a subdivision; and Minnesota Statutes 1987 Supplement, section 290.067, subdivision 2.

Referred to the Committee on Taxes and Tax Laws.

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

S.F. No. 1756: A bill for an act relating to taxation; repealing the law providing for a contingent tax increase upon forecast of a revenue shortfall; repealing Laws 1987, chapter 268, article 18, section 5.

Referred to the Committee on Taxes and Tax Laws.

Ms. Berglin introduced—

S.F. No. 1757: A bill for an act relating to human services; establishing grants for community initiatives for children; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 245.

Referred to the Committee on Health and Human Services.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Monday, February 15, 1988. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

FIFTY-EIGHTH DAY

St. Paul, Minnesota, Monday, February 15, 1988

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

Prayer was offered by the Chaplain, Rev. Terry Danger.

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

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

The President declared a quorum present.

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

MEMBERS EXCUSED

Mrs. Brataas and Mr. Gustafson were excused from the Session of today.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

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

January 29, 1988

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

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

L.E. Danford, 4401 Browndale, Edina, Hennepin County, has been appointed by me, effective January 26, 1988, for a term expiring the first Monday in January, 1992.

Nellie Stone Johnson, 920 Nicollet Ave., Minneapolis, Hennepin County,

has been appointed by me, effective January 26, 1988, for a term expiring the first Monday in January, 1992.

(Referred to the Committee on Education.)

February 1, 1988

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

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

Sharon Hurley, R.R. 3, Box 3A, New Ulm, Nicollet County, has been appointed by me, effective January 26, 1988, for a term expiring the first Monday in January, 1992.

(Referred to the Committee on Agriculture.)

February 1, 1988

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

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

Ludmilla Sahlstrom, 106 Golf Terr. Dr., Crookston, Polk County, has been appointed by me, effective January 26, 1988, for a term expiring the first Monday in January, 1992.

David M. Lilly, Jr., 1924 Irving Ave. S., Minneapolis, Hennepin County, has been appointed by me, effective January 26, 1988, for a term expiring the first Monday in January, 1992.

Karen B. Gray, 222 Hwy. 44 E., Spring Grove, Houston County, has been appointed by me, effective January 26, 1988, for a term expiring the first Monday in January, 1992.

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

February 5, 1988

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointments to the State Board of Education are hereby respectfully submitted to the Senate for confirmation as required by law:

Mabel Evans Cason, 1015 Hyacinth Ave. E., St. Paul, Ramsey County, has been appointed by me, effective January 26, 1988, for a term expiring the first Monday in January, 1992.

Marjorie Johnson, Box 224, Lake Park, Becker County, has been appointed by me, effective January 26, 1988, for a term expiring the first Monday in

January, 1992.

(Referred to the Committee on Education.)

February 5, 1988

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

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

Douglas R. Ewald, 15025 Highland Trl., Minnetonka, Hennepin County, has been appointed by me, effective January 26, 1988, for a term expiring the first Monday in January, 1992.

Mary Smith, 515 N. Ferndale, Wayzata, Hennepin County, has been appointed by me, effective January 26, 1988, for a term expiring the first Monday in January, 1992.

(Referred to the Committee on Elections and Ethics.)

Sincerely,
Rudy Perpich, Governor

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of the report pertaining to appointments. The motion prevailed.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 1575: A bill for an act relating to game and fish; imposing a fee for issuance of game and fish stamps; clarifying when a trout and salmon stamp is required and responsibility for road-kill deer; amending Minnesota Statutes 1986, section 97C.305; Minnesota Statutes 1987 Supplement, sections 97A.475, subdivisions 6 and 7; 97A.485, subdivision 6; and 97A.502; repealing Minnesota Statutes 1987 Supplement, section 97A.451, subdivision 1.

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

Page 2, lines 27 to 36, delete the new language

Amend the title as follows:

Page 1, line 2, delete "imposing a fee for issuance"

Page 1, line 3, delete "of game and fish stamps;"

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

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 1594: A bill for an act relating to human services; providing for definitions, exclusions, access to records, and period of receivership under the human services licensing act; liability of the state for municipal inspection functions; amending Minnesota Statutes 1986, section 466.132; and Minnesota Statutes 1987 Supplement, sections 245A.02, subdivision 13; 245A.03, subdivision 2; 245A.04, subdivisions 3 and 5; 245A.095, subdivision 1; and 245A.13, subdivision 5; repealing Minnesota Statutes 1987 Supplement, sections 256D.01, subdivision 1d; and 256D.37, subdivision 5.

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

Page 2, line 21, after "(8)" insert "*until July 1, 1989,*"

Page 2, line 23, strike "or mental"

Page 2, line 24, strike "retardation" and delete "and"

Page 6, after line 5, insert:

"Sec. 7. Minnesota Statutes 1987 Supplement, section 256D.01, subdivision 1d, is amended to read:

Subd. 1d. [PAYMENTS TO FACILITIES.] ~~After August 1, 1987,~~ The commissioner shall make no payments under ~~rules authorized by~~ subdivision 1b to ~~newly-licensed~~ facilities which have five or more residents with a primary diagnosis of mental illness unless they are licensed or exempted from licensure under chapter 245A. The commissioner of health shall monitor ~~newly-licensed~~ boarding care *homes*, board and lodging *houses*, and supervised living facilities, and shall report to the commissioner of human services facilities that are not in compliance with this subdivision.

Sec. 8. Minnesota Statutes 1987 Supplement, section 256D.37, subdivision 5, is amended to read:

Subd. 5. ~~After August 1, 1987,~~ The commissioner shall make no payments under subdivision 1 to ~~newly-licensed~~ facilities which have five or more residents with a primary diagnosis of mental illness unless they are licensed or exempted from licensure under chapter 245A. The commissioner of health shall monitor ~~newly-licensed~~ boarding care *homes*, board and lodging *houses*, and supervised living facilities, and shall report to the commissioner of human services facilities that are not in compliance with this subdivision."

Page 6, line 26, delete "1d" and insert "1c" and delete "5" and insert "4"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 10, delete "and" and after the second semicolon, insert "256D.01, subdivision 1d; and 256D.37, subdivision 5;";

Page 1, line 12, delete "1d" and insert "1c" and delete "5" and insert "4"

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

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 1584: A bill for an act relating to human services; regarding duties of the commissioner of human services and the state advisory council on mental health; providing for a subcommittee; creating a children's mental health service system; amending Minnesota Statutes 1987 Supplement, sections 245.696, subdivision 2; and 245.697, subdivision 2, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 245.

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

Delete everything after the enacting clause and insert:

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

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

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

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

(3) employ qualified personnel to implement this chapter;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(4) providers of children's mental health services, including at least one provider of services to pre-adolescent children, one provider of services to adolescents, one hospital-based provider, and one psychiatrist trained in child and adolescent psychiatry;

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

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

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

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

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

(10) members of the advisory council; and

(11) county commissioners and social services agency representatives.

Subcommittee members described in clauses (3) through (9) shall be appointed by the chair of the advisory council through the process established in section 15.0597. The chair shall appoint members to ensure a geographical balance on the subcommittee. Terms, compensation, removal, and filling of vacancies are governed by subdivision 1, except that terms of subcommittee members who are also members of the advisory council are coterminous with their terms on the advisory council. The subcommittee shall meet at the call of the subcommittee chair, who shall be elected by the subcommittee from among its members. The subcommittee expires with the expiration of the advisory council.

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

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

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

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

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

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

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

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

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

- (5) are sensitive to cultural differences and special needs;
- (d) includes early screening and prompt intervention in order to:
 - (1) identify and treat the mental health needs of children in the least restrictive setting appropriate to their needs; and
 - (2) prevent further deterioration;
- (e) provides services to children and their families in the context in which the children live and go to school;
- (f) addresses the unique problems of paying for mental health services for children, including (1) access to private insurance coverage, and (2) public funding;
- (g) to every extent possible, includes children and their families in planning the child's program of mental health services; and
- (h) when necessary, assures a smooth transition to the adult services system.

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

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

Sec. 5. [APPROPRIATION.]

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

Amend the title as follows:

Page 1, line 6, after the semicolon, insert "appropriating money;"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 1583: A bill for an act relating to state services for the blind and visually handicapped; clarifying the relationship between federal and state laws regarding supervision of vending stands; clarifying utilization of receipts in the revolving fund; providing that certain department of jobs and training data be classified as public data; regulating the disposition of certain reimbursements received by the commissioner of jobs and training; amending Minnesota Statutes 1986, sections 13.791, subdivision 1; and 248.07, subdivisions 7 and 12; Minnesota Statutes 1987 Supplement, section 248.07, subdivision 8; repealing Minnesota Statutes 1986, section 136.26.

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

Page 1, delete section 1

Page 4, line 24, delete "4" and insert "3"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 11, delete "sections 13.791, subdivision 1; and" and insert "section"

And when so amended the bill do pass and be re-referred to the Committee on Education. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which were referred the following appointments as reported in the Journal for March 12, 1987:

DEPARTMENT OF CORRECTIONS
COMMISSIONER

Orville Pung

DEPARTMENT OF HEALTH
COMMISSIONER

Sister Mary Madonna Ashton

DEPARTMENT OF HUMAN SERVICES
COMMISSIONER

Sandra Gardebring

Reports the same back with the recommendation that the appointments be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

SECOND READING OF SENATE BILLS

S.F. Nos. 1575 and 1594 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Merriam moved that his name be stricken as a co-author to S.F. No. 232. The motion prevailed.

Mr. Johnson, D.J. moved that his name be stricken as chief author, shown as a co-author, and the name of Mr. Beckman be shown as chief author to S.F. No. 339. The motion prevailed.

Mr. Knaak moved that the names of Messrs. Moe, D.M. and Brandl be added as co-authors to S.F. No. 1624. The motion prevailed.

Mr. Knaak moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 1642. The motion prevailed.

Mr. Knaak moved that the name of Mr. Brandl be added as a co-author to S.F. No. 1653. The motion prevailed.

Mr. Spear moved that the name of Mr. Merriam be added as a co-author to S.F. No. 1675. The motion prevailed.

Mr. Stumpf moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 1689. The motion prevailed.

Mr. Vickerman moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 1696. The motion prevailed.

Mrs. Brataas moved that her name be stricken as a co-author to S.F. No. 1702. The motion prevailed.

Mr. Pehler moved that the name of Mr. Samuelson be added as a co-author to S.F. No. 1702. The motion prevailed.

Mr. Pehler moved that the name of Mr. Solon be added as a co-author to S.F. No. 1704. The motion prevailed.

Mr. Chmielewski moved that the name of Mr. Gustafson be added as a co-author to S.F. No. 1717. The motion prevailed.

Mr. Pehler moved that the name of Mr. Solon be added as a co-author to S.F. No. 1734. The motion prevailed.

Ms. Peterson, D.C. moved that the name of Mr. Solon be added as a co-author to S.F. No. 1736. The motion prevailed.

Mr. Johnson, D.J. moved that the names of Messrs. Novak and Samuelson be added as co-authors to S.F. No. 1756. The motion prevailed.

Mr. Frederickson, D.R. moved that S.F. No. 1558 be withdrawn from the Committee on Transportation and returned to its author. The motion prevailed.

Mr. Laidig introduced—

Senate Resolution No. 103: A Senate resolution congratulating Kevin Brochman, of Stillwater, for being selected as a member of the United States Cross Country Ski Team.

Referred to the Committee on Rules and Administration.

Mr. Peterson, R.W. introduced—

Senate Resolution No. 104: A Senate resolution congratulating the Blue-jackets Boys Football Team from Cambridge High School for winning the 1987 Class A Prep Bowl.

Referred to the Committee on Rules and Administration.

Messrs. Brandl; Benson; Moe, R.D.; Luther and Mrs. Brataas introduced—

Senate Resolution No. 105: A Senate resolution designating May 11 as Commonwealth Day.

Referred to the Committee on Rules and Administration.

Mr. Moe, R.D. introduced—

Senate Concurrent Resolution No. 11: A Senate concurrent resolution providing session deadline dates for the legislature pursuant to Joint Rule 2.03.

WHEREAS, Joint Rule 2.03, paragraph (b) requires the legislature to establish session deadline dates for even-numbered year sessions; NOW, THEREFORE,

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

of Representatives concurring, that committee reports on bills favorably acted upon by a committee in the house of origin after Thursday, March 10, 1988, and committee reports on bills originating in the other house favorably acted upon by a committee after Friday, March 18, 1988, shall be referred in the Senate to the Committee on Rules and Administration and in the House of Representatives to the Committee on Rules and Legislative Administration for disposition. Referral is not required when a committee, after the earlier date and by the later date set by this paragraph, acts on a bill that is a companion to a bill that has met the earlier deadline in the other house. This requirement does not apply to the Senate Committees on Finance and on Taxes and Tax Laws, and the House Committees on Appropriations and on Taxes.

After Wednesday, March 30, 1988, neither house shall act on bills other than those contained in:

- (1) Reports of conference committees;
- (2) Messages from the other house;
- (3) Reports of the Committee on Rules and Administration in the Senate or the Committee on Rules and Legislative Administration in the House; or
- (4) Messages from the governor.

Mr. Moe, R.D. moved that the foregoing resolution be laid on the table. The motion prevailed.

Ms. Berglin moved that S.F. No. 1583 be withdrawn from the Committee on Education and re-referred to the Committee on Finance. The motion prevailed.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Ms. Peterson, D.C.; Messrs. Metzen, Samuelson and Luther introduced—

S.F. No. 1758: A bill for an act relating to health; clarifying an existing statute that requires insurance plans to cover the services provided by a registered nurse engaged in advanced nursing practice to the same extent that the services would be covered if provided by a physician; including nurse practitioners and clinical specialists in psychiatric or mental health nursing among the roles specifically listed as examples of advanced nursing practice; amending Minnesota Statutes 1986, section 62A.15, subdivision 3a.

Referred to the Committee on Commerce.

Mrs. Adkins, Messrs. Frederickson, D.J.; Schmitz; Renneke and Frederickson, D.R. introduced—

S.F. No. 1759: A bill for an act relating to local planning and zoning; providing for the administration of land use contracts; defining authority of local government units; providing for procedures and records; providing penalties; proposing coding for new law as Minnesota Statutes, chapter

394A; repealing Minnesota Statutes 1986, sections 394.21 to 394.37 and 462.351 to 462.364.

Referred to the Committee on Local and Urban Government.

Mr. Vickerman, Mrs. Adkins, Messrs. Schmitz, Renneke and Frederickson, D.R. introduced—

S.F. No. 1760: A bill for an act relating to local government; regulating duties of town officers; setting town powers; regulating town revenue and property valuation matters; amending Minnesota Statutes 1986, sections 18.272; 429.031, by adding a subdivision; 465.71; and 471.653; and Minnesota Statutes 1987 Supplement, sections 115A.921; and 273.061, subdivision 8; and repealing Minnesota Statutes 1986, section 365.03.

Referred to the Committee on Local and Urban Government.

Messrs. Marty and Purfeerst introduced—

S.F. No. 1761: A bill for an act relating to crime; traffic safety; providing that operating a vehicle at a speed of 85 miles per hour or more is careless driving; limiting plea negotiations for speeding violations; amending Minnesota Statutes 1986, sections 169.13, subdivision 2; and 169.141, by adding a subdivision.

Referred to the Committee on Transportation.

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

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

Referred to the Committee on Agriculture.

Messrs. Wegscheid, Stumpf, Ms. Olson, Messrs. Bertram and Anderson introduced—

S.F. No. 1763: A bill for an act relating to solid waste; imposing a fee to be collected by counties for the disposal of mixed municipal solid waste; providing for collection and distribution of the fee to counties generating solid waste; authorizing county agreements for recycling and to include recycling as part of solid waste management; amending Minnesota Statutes 1986, sections 115A.919; and 400.08, subdivision 1; proposing coding for new law in chapter 115A.

Referred to the Committee on Environment and Natural Resources.

Mrs. Lantry introduced—

S.F. No. 1764: A bill for an act relating to charitable gambling; increasing the time period allowed for cities and counties to review license applications; amending Minnesota Statutes 1986, section 349.213, subdivision 2.

Referred to the Committee on General Legislation and Public Gaming.

Mrs. Lantry introduced—

S.F. No. 1765: A bill for an act relating to horse racing; changing the date when the racetrack must submit its financial statement to the racing commission; allowing the breeders' fund to be used to supplement purses for Minnesota horses racing in nonrestricted races; amending Minnesota Statutes 1986, sections 240.15, subdivision 4; and 240.18.

Referred to the Committee on General Legislation and Public Gaming.

Mses. Berglin; Peterson, D.C.; Messrs. Pogemiller and Brandl introduced—

S.F. No. 1766: A bill for an act relating to taxation; property; allowing leasehold cooperatives to claim homestead treatment on behalf of their members; amending Minnesota Statutes 1986, section 273.124, subdivision 6.

Referred to the Committee on Taxes and Tax Laws.

Ms. Peterson, D.C.; Mr. Spear, Ms. Berglin, Messrs. Pogemiller and Brandl introduced—

S.F. No. 1767: A bill for an act relating to the city of Minneapolis; permitting the establishment of special service districts.

Referred to the Committee on Economic Development and Housing.

Messrs. Solon and Metzen introduced—

S.F. No. 1768: A bill for an act relating to commerce; safe deposit companies; providing for performance of will searches upon safe deposit box renter's death; amending Minnesota Statutes 1986, section 55.10, by adding a subdivision.

Referred to the Committee on Commerce.

Ms. Reichgott introduced—

S.F. No. 1769: A bill for an act relating to human rights; clarifying marital status discrimination and housing discrimination; enforcing comparable worth and affirmative action requirements; making procedural and administrative changes; amending Minnesota Statutes 1986, sections 363.01, by adding a subdivision; 363.02, subdivisions 2, 2a, and by adding a subdivision; 363.03, subdivision 2; 363.06, subdivision 3; 363.073, subdivisions 1 and 3; 363.074; 363.091; and 363.14, subdivisions 1 and 3; Minnesota Statutes 1987 Supplement, sections 363.03, subdivision 1; 363.06, subdivision 1; and 363.071, subdivision 2.

Referred to the Committee on Judiciary.

Messrs. Davis, Morse, Berg, Langseth and Stumpf introduced—

S.F. No. 1770: A bill for an act relating to agriculture; reappropriating money remaining in the 1987 interest buy-down program.

Referred to the Committee on Agriculture.

Mses. Reichgott; Berglin; Peterson, D.C.; Messrs. Johnson, D.J. and Novak introduced—

S.F. No. 1771: A bill for an act relating to taxation; retaining strict levy limits for cities and counties that do not comply with pay equity requirements; reducing 1992 local government aids of cities and counties that do not implement equitable compensation plans.

Referred to the Committee on Taxes and Tax Laws.

Mr. Frank introduced—

S.F. No. 1772: A bill for an act relating to North Suburban Hospital District; authorizing renovation and use of the Fridley Assembly of God Church property for health or social services.

Referred to the Committee on Local and Urban Government.

Mr. Samuelson introduced—

S.F. No. 1773: A bill for an act relating to appropriations; removing certain limitations on the use of funds for administrative costs in the community services programs; amending Laws 1987, chapter 403, article 1, section 4, subdivision 4.

Referred to the Committee on Finance.

Mr. Hughes introduced—

S.F. No. 1774: A bill for an act relating to retirement; teachers retirement association; permitting certain employees to retire under the rule of 85 despite having failed to apply for retirement before the deadline.

Referred to the Committee on Governmental Operations.

Mr. Chmielewski introduced—

S.F. No. 1775: A bill for an act relating to unemployment insurance; requiring notice of completion of job assignment by employees of temporary employment service; amending Minnesota Statutes 1987 Supplement, section 268.08, subdivision 1.

Referred to the Committee on Employment.

Mr. Chmielewski introduced—

S.F. No. 1776: A bill for an act relating to taxation; income; extending the pension exclusion to recipients of federal law enforcement officers' pensions under age 65.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Chmielewski, Ramstad, Pehler, Ms. Piper and Mrs. Brataas introduced—

S.F. No. 1777: A bill for an act relating to unemployment compensation; defining the term "wages"; amending Minnesota Statutes 1987 Supplement, section 268.04, subdivision 25.

Referred to the Committee on Employment.

Mr. Frank introduced—

S.F. No. 1778: A bill for an act relating to agriculture; changing certain licensing requirements of the consolidated food licensing law; amending Minnesota Statutes 1986, section 28A.06.

Referred to the Committee on Agriculture.

Mr. Frank introduced—

S.F. No. 1779: A bill for an act relating to retirement; authorizing a defined contribution plan for the Fridley volunteer firefighter's relief association.

Referred to the Committee on Governmental Operations.

Mr. Frank introduced—

S.F. No. 1780: A bill for an act relating to elections; clarifying certain public campaign financing limits; amending Minnesota Statutes 1986, section 10A.25, subdivision 10; Minnesota Statutes 1987 Supplement, sections 10A.255, subdivision 1; 10A.32, subdivision 3; repealing Minnesota Statutes 1986, section 10A.32, subdivision 3b.

Referred to the Committee on Elections and Ethics.

Mr. Frank introduced—

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

Referred to the Committee on Transportation.

Mr. Cohen introduced—

S.F. No. 1782: A bill for an act relating to retirement; disability and survivor benefits for a certain corrections department employee.

Referred to the Committee on Governmental Operations.

Ms. Reichgott and Mr. Purfeerst introduced—

S.F. No. 1783: A bill for an act relating to motor vehicles; requiring mandatory annual inspection of motor vehicle emission control equipment on vehicles registered in the metropolitan area; prescribing powers and duties of the pollution control agency and the department of public safety; imposing fees for inspection; prescribing penalties; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116.

Referred to the Committee on Transportation.

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

S.F. No. 1784: A bill for an act relating to state agencies; amending and repealing various statutes administered by the state board of investments; amending Minnesota Statutes 1986, sections 11A.17, subdivisions 1, 4, 9, 11, and 14; 11A.19, subdivision 4; and 352D.04, subdivision 1; Minnesota Statutes 1987 Supplement, sections 11A.24, subdivisions 4 and 6;

136.81, subdivision 3; and 353D.05, subdivision 2; repealing Minnesota Statutes 1986, section 11A.17, subdivisions 12 and 13.

Referred to the Committee on Governmental Operations.

Mr. Langseth introduced—

S.F. No. 1785: A bill for an act relating to transportation; discontinuing and removing legislative route No. 231 from trunk highway system.

Referred to the Committee on Transportation.

Messrs. Berg; Renneke; Vickerman; Frederickson, D.J. and Frederickson, D.R. introduced—

S.F. No. 1786: A bill for an act relating to agriculture; clarifying and imposing penalties for violations related to diseased animals under the jurisdiction of the board of animal health; authorizing inspection upon notice; authorizing enforcement of violations; authorizing civil judicial enforcement actions; authorizing administrative remedies for violations; imposing civil and criminal penalties; amending Minnesota Statutes 1986, sections 35.15, subdivision 2; 35.245, subdivision 5; 35.80; 35.82, subdivision 2; and 35.830; Minnesota Statutes 1987 Supplement, section 35.68; proposing coding for new law in Minnesota Statutes, chapter 35; repealing Minnesota Statutes 1986, sections 35.069; 35.70; 35.71, subdivision 8; and 35.72, subdivision 6.

Referred to the Committee on Agriculture.

Messrs. Wegscheid; Pehler; Laidig; Johnson, D.J. and Mrs. Adkins introduced—

S.F. No. 1787: A bill for an act relating to education; establishing state aid for debt service for school districts; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 124.

Referred to the Committee on Education.

Mr. Peterson, R.W. introduced—

S.F. No. 1788: A bill for an act relating to the office of the secretary of state; providing for the simplification of various filings with that office; eliminating certain filings; eliminating the requirement that documents be notarized, verified, or acknowledged; reducing the number of signatures required; setting fees for copies of documents filed with the office of the secretary of state; permitting the correction of documents; setting fees for various filings; allowing the annual registration to fulfill the requirement that an active status report be filed; conforming the business corporation act to the uniform fraudulent conveyances act; increasing the penalties for failure to file an assumed business name; changing the time period during which audits of legal newspapers may occur; amending Minnesota Statutes 1986, sections 5.12; 300.025; 300.49; 302A.115, subdivisions 1 and 7; 302A.551, subdivision 3; 302A.821, subdivision 1; 303.06; 303.10, subdivision 2; 303.11; 303.14, subdivisions 1 and 3; 303.16, subdivision 3; and by adding a subdivision; 306.70; 306.74; 308.06; 308.14, subdivisions 2 and 4; 308.15, subdivisions 1 and 4; 308.59; 317.04, subdivision 3; 317.08, subdivision 1; 317.27, subdivisions 1 and 5; 317.33; 317.35; 317.45, subdivision 4; 318.02, subdivision 1; 322A.12; 322A.14; 322A.73; 322A.74;

333.01; 333.055, subdivision 4; 333.06; 333.20, subdivision 2; 333.22, subdivision 2; 333.23; Minnesota Statutes 1987 Supplement, sections 302A.011, subdivision 11; 302A.139; 302A.615, subdivision 1; 308.58, subdivision 2; 322A.70; and 331A.02, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 5.

Referred to the Committee on Judiciary.

Mr. Anderson introduced—

S.F. No. 1789: A bill for an act relating to local government; providing for detachment of cities and towns from hospital districts; amending Minnesota Statutes 1987 Supplement, section 447.38, subdivision 2.

Referred to the Committee on Local and Urban Government.

Mr. Peterson, R.W. introduced—

S.F. No. 1790: A bill for an act relating to probate; providing for payment to certain persons for benefit of incapacitated persons; proposing coding for new law in Minnesota Statutes, chapter 525.

Referred to the Committee on Judiciary.

Mr. Laidig introduced—

S.F. No. 1791: A bill for an act relating to government data practices; permitting disclosure of nonpublic court services data under certain circumstances; clarifying that law enforcement agencies may exchange pertinent and necessary information on juveniles; amending Minnesota Statutes 1986, section 13.84, subdivision 5, and by adding a subdivision; Minnesota Statutes 1987 Supplement, section 260.161, subdivision 3.

Referred to the Committee on Judiciary.

Mr. Laidig introduced—

S.F. No. 1792: A bill for an act relating to crimes; providing for proof of prior convictions at sentencing hearings and in certain criminal prosecutions; amending Minnesota Statutes 1986, section 244.10, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 609.

Referred to the Committee on Judiciary.

Mr. Lessard introduced—

S.F. No. 1793: A bill for an act relating to liquor; defining the term "restaurant" for purposes of county liquor licenses; amending Minnesota Statutes 1986, section 340A.101, subdivision 25.

Referred to the Committee on Commerce.

Mr. Storm introduced—

S.F. No. 1794: A bill for an act relating to retirement; authorizing a certain teacher to purchase credit for certain prior service.

Referred to the Committee on Governmental Operations.

Mr. Storm introduced—

S.F. No. 1795: A bill for an act relating to alcoholic beverages; increasing the time period for notification to licensing authorities of cancellation of liquor liability insurance; specifying that hearings by licensing authorities on license suspensions or revocations need not be before an administrative hearing officer; amending Minnesota Statutes 1986, section 340A.409, subdivision 1; and Minnesota Statutes 1987 Supplement, section 340A.415.

Referred to the Committee on Commerce.

Messrs. Storm, Jude and Bernhagen introduced—

S.F. No. 1796: A bill for an act relating to state government; requiring the department of finance to prepare revenue forecasts; proposing coding for new law in Minnesota Statutes, chapter 16A.

Referred to the Committee on Governmental Operations.

Mr. Pehler introduced—

S.F. No. 1797: A bill for an act relating to education; appropriating money to increase the funding for the St. Cloud State University chair in real estate.

Referred to the Committee on Education.

Mr. Pehler introduced—

S.F. No. 1798: A bill for an act relating to education; increasing the general education formula allowance; increasing supplemental revenue; appropriating money; amending Minnesota Statutes 1987 Supplement, sections 124A.22, subdivision 2; 124A.23, subdivisions 2, 3, and by adding subdivisions; 124A.25, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 124A.

Referred to the Committee on Education.

Mr. Pehler introduced—

S.F. No. 1799: A bill for an act relating to taxation; exempting the University of Minnesota and state universities and colleges from the sales and use tax; amending Minnesota Statutes 1987 Supplement, section 297A.25, subdivision 11.

Referred to the Committee on Taxes and Tax Laws.

Mr. Pehler introduced—

S.F. No. 1800: A bill for an act relating to commerce; securities; changing certain disclosure requirements relating to charitable solicitations; amending Minnesota Statutes 1987 Supplement, section 309.556, subdivision 1, and by adding a subdivision; repealing Minnesota Statutes 1987 Supplement, section 309.556, subdivision 2.

Referred to the Committee on Commerce.

Mr. Spear introduced—

S.F. No. 1801: A bill for an act relating to consumer protection; requiring certain disclosures regarding storage fees imposed by repair shops; amending Minnesota Statutes 1986, sections 325F.58, subdivisions 1 and 3; and 325F.62, subdivision 3; Minnesota Statutes 1987 Supplement, sections 325F.56, subdivision 8; and 325F.60, subdivision 1.

Referred to the Committee on Commerce.

Messrs. Spear, Solon, Cohen, Ms. Peterson, D.C. and Mr. Anderson introduced—

S.F. No. 1802: A bill for an act relating to insurance; regulating the Minnesota Insurance Guaranty Association; excluding investment risks insurance from coverage; modifying the definitions of "resident" and "covered claim"; regulating claims; preventing insolvencies; making certain technical changes; amending Minnesota Statutes 1986, sections 60C.02, subdivision 1; 60C.03, subdivisions 2, 7, and by adding a subdivision; 60C.05, subdivision 1; 60C.13, subdivision 2; and 60C.15; Minnesota Statutes 1987 Supplement, section 60C.09; repealing Minnesota Statutes 1986, section 60C.18.

Referred to the Committee on Commerce.

Messrs. Novak; Moe, R.D.; Stumpf; Berg and Benson introduced—

S.F. No. 1803: A bill for an act relating to taxation; changing the rate of gross premiums tax imposed on certain mutual insurance companies; amending Minnesota Statutes 1987 Supplement, section 60A.15, subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

Mr. Frank introduced—

S.F. No. 1804: A bill for an act relating to motor vehicles; providing for registration of motor vehicles by long-term lessees; imposing a fee; amending Minnesota Statutes 1986, sections 168.011, by adding a subdivision; 168.013, subdivision 7; 168.041, subdivision 7; 168.10, subdivision 1; 168.11, subdivision 1; 168.13; 168.33, subdivision 3; and 168A.10, by adding a subdivision; repealing Minnesota Statutes 1986, section 168.30.

Referred to the Committee on Transportation.

Mr. Morse, Ms. Peterson, D.C.; Messrs. Marty and Stumpf introduced—

S.F. No. 1805: A bill for an act relating to housing; providing a definition; authorizing certain refinancing; providing for reservation of low-income housing credits; amending Minnesota Statutes 1986, sections 462A.03, by adding a subdivision; 462A.05, by adding a subdivision; and 462A.07, subdivisions 14 and 15; Minnesota Statutes 1987 Supplement, section 462A.222, subdivision 2.

Referred to the Committee on Economic Development and Housing.

Messrs. Stumpf and Decker introduced—

S.F. No. 1806: A bill for an act relating to state lands; authorizing private conveyance of tax-forfeited land in Beltrami county.

Referred to the Committee on Environment and Natural Resources.

Mr. Pehler introduced—

S.F. No. 1807: A bill for an act relating to workers' compensation; patterning the law after the law of Wisconsin; generally changing all facets of the workers' compensation law; proposing coding for new law in Minnesota Statutes, chapter 176C; repealing Minnesota Statutes 1986, chapter 176; and Minnesota Statutes 1987 Supplement, chapter 176.

Referred to the Committee on Employment.

Mr. Pehler introduced—

S.F. No. 1808: A bill for an act relating to education; providing for grants to parent-to-parent support programs; appropriating money; amending Minnesota Statutes 1986, section 120.17, by adding a subdivision.

Referred to the Committee on Education.

Messrs. Marty and Dicklich introduced—

S.F. No. 1809: A bill for an act relating to communication-impaired persons; requiring the commissioner of human services to provide assistance in implementing the program that provides telephones to communication-impaired persons; making other technical changes in the program; amending Minnesota Statutes 1987 Supplement, sections 237.50, subdivision 4; 237.51, subdivision 5; 237.52, subdivision 5, and by adding a subdivision; and 237.53, subdivisions 3, 4, 6, and 7; repealing Minnesota Statutes 1987 Supplement, section 237.53, subdivision 8.

Referred to the Committee on Public Utilities and Energy.

Mr. Anderson introduced—

S.F. No. 1810: A bill for an act relating to human services; creating an exception to the moratorium on certification of new medical assistance nursing home beds.

Referred to the Committee on Health and Human Services.

Messrs. Merriam, Pehler, Schmitz, Luther and Mrs. Adkins introduced—

S.F. No. 1811: A bill for an act relating to education; establishing state aid for referendum levies for school districts; proposing coding for new law in Minnesota Statutes, chapter 124A.

Referred to the Committee on Education.

Ms. Peterson, D.C.; Messrs. Spear and Storm introduced—

S.F. No. 1812: A bill for an act relating to the judiciary; witnesses; preventing a court from compelling a social worker to disclose information received while engaging in the practice of social work; amending Minnesota

Statutes 1987 Supplement, section 595.02, subdivision 1.

Referred to the Committee on Judiciary.

Messrs. Larson, Anderson, Taylor, Luther and Freeman introduced—

S.F. No. 1813: A bill for an act relating to insurance; requiring agents to obtain errors and omissions insurance coverage; amending Minnesota Statutes 1986, section 60A.17, by adding a subdivision.

Referred to the Committee on Commerce.

Messrs. Pogemiller; Moe, R.D.; Benson; Mrs. Lantry and Mr. Laidig introduced—

S.F. No. 1814: A bill for an act relating to judges; providing for the manner of filling vacancies in the office of judge; proposing coding for new law as Minnesota Statutes, chapter 480B.

Referred to the Committee on Judiciary.

Mr. Dicklich, Mrs. Lantry, Messrs. Davis and Samuelson introduced—

S.F. No. 1815: A bill for an act relating to animals; prohibiting transportation of certain animals in open vehicles; prohibiting leaving animals unattended in motor vehicles in an unsafe or dangerous manner and authorizing their removal by peace officers and fire and rescue officials; proposing coding for new law in Minnesota Statutes, chapter 346.

Referred to the Committee on General Legislation and Public Gaming.

Messrs. Purfeerst, Diessner and Spear introduced—

S.F. No. 1816: A bill for an act relating to probate; providing for adult health care decisions; imposing penalties; proposing coding for new law as Minnesota Statutes, chapter 145B.

Referred to the Committee on Judiciary.

Mr. Johnson, D.J. introduced—

S.F. No. 1817: A bill for an act relating to education; providing for use of certain revenues in the independent school district No. 710 bond redemption fund; amending Laws 1982, chapter 523, article 30, section 4, subdivision 3.

Referred to the Committee on Education.

Mr. Diessner introduced—

S.F. No. 1818: A bill for an act relating to natural resources; authorizing the commissioner of natural resources to sell certain lands in Cook county.

Referred to the Committee on Environment and Natural Resources.

Mr. Marty, Ms. Berglin, Messrs. Luther and Pogemiller introduced—

S.F. No. 1819: A bill for an act relating to housing; landlord and tenant; providing for tenant's remedies for failure of owner to repair premises; authorizing tenants in single-metered residential buildings to pay for gas

and electric utilities and deduct the payments from rent due; providing a procedure for actions involving nonpayment of rent; providing penalties; amending Minnesota Statutes 1986, section 566.28; proposing coding for new law in Minnesota Statutes, chapters 504 and 506.

Referred to the Committee on Public Utilities and Energy.

Ms. Peterson, D.C. introduced—

S.F. No. 1820: A bill for an act relating to crime; children; clarifying the defenses to a charge of deprivation of parental rights; requiring defendant to prove elements of defenses; amending Minnesota Statutes 1987 Supplement, section 609.26, subdivision 2.

Referred to the Committee on Judiciary.

Ms. Reichgott, Messrs. Spear and Ramstad introduced—

S.F. No. 1821: A bill for an act relating to crimes; police pursuit; increasing the penalty for fleeing a peace officer; providing for civil forfeiture of vehicle used to flee a peace officer; requiring local governments to establish pursuit procedures and training requirements by October 1, 1989; authorizing peace officer standards and training board to assist local governments in establishing procedures and training requirements; requiring reporting of all police pursuits to department of public safety; amending Minnesota Statutes 1986, sections 609.487, subdivision 3; 609.531, subdivisions 2, 4, and 6; 626.843, subdivision 1; and 626.845, subdivision 1; Minnesota Statutes 1987 Supplement, section 609.531, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 626.

Referred to the Committee on Judiciary.

Messrs. Solon and Wegscheid introduced—

S.F. No. 1822: A bill for an act relating to liquor; prohibiting certain transactions by brewers and malt liquor wholesalers; amending Minnesota Statutes 1987 Supplement, section 340A.308.

Referred to the Committee on Commerce.

Mr. Samuelson introduced—

S.F. No. 1823: A bill for an act relating to water; amending the Minnesota watershed act by adding reasons for termination of a watershed district and deleting the requirement for a bond; amending Minnesota Statutes 1987 Supplement, section 112.411, subdivision 4; repealing Minnesota Statutes 1987 Supplement, section 112.411, subdivision 3.

Referred to the Committee on Agriculture.

Messrs. Samuelson and Merriam introduced—

S.F. No. 1824: A bill for an act relating to health; requiring licensed physicians to accept the Medicare payment as payment in full for services provided to Medicare patients; amending Minnesota Statutes 1986, section 147.091, by adding a subdivision.

Referred to the Committee on Health and Human Services.

Messrs. Samuelson and Chmielewski introduced—

S.F. No. 1825: A bill for an act relating to medical assistance; establishing a case management pilot project; requiring reports; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 256B.

Referred to the Committee on Health and Human Services.

Mr. Samuelson introduced—

S.F. No. 1826: A bill for an act relating to counties; providing for elections to fill certain vacancies; amending Minnesota Statutes 1986, section 375.08.

Referred to the Committee on Elections and Ethics.

Mr. Langseth introduced—

S.F. No. 1827: A bill for an act relating to public safety; providing that a fee for applications for quarterly reporting of fuel tax be deposited in the highway user tax distribution fund; amending Minnesota Statutes 1987 Supplement, section 296.17, subdivision 9a.

Referred to the Committee on Transportation.

Messrs. Benson, Waldorf, Brandl and Knutson introduced—

S.F. No. 1828: A bill for an act relating to health; authorizing the commissioner of health to use competitive bidding or volume purchasing under the WIC program; amending Minnesota Statutes 1986, section 145.897.

Referred to the Committee on Health and Human Services.

Messrs. Benson; Frederick; Frederickson, D.R.; Chmielewski and Knutson introduced—

S.F. No. 1829: A bill for an act relating to medical assistance; allowing transfers of liquid assets between spouses; requiring notice to residents of skilled nursing facilities of the right to transfer liquid assets; amending Minnesota Statutes 1986, sections 144.651, by adding a subdivision; 256B.14, subdivision 2; 256B.17, subdivision 7; and 256B.17, by adding subdivisions.

Referred to the Committee on Health and Human Services.

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

S.F. No. 1830: A bill for an act relating to crimes; making it a crime for athletic agents to induce student athletes to enter into agent contracts or professional sport services contracts before the athletes' collegiate eligibility expires; making it a crime for athletic agents to offer anything of value to employees of institutions of higher education in return for referral of student athlete clients; prescribing penalties; proposing coding for new law in Minnesota Statutes, chapter 609.

Referred to the Committee on Judiciary.

Mr. Pogemiller introduced—

S.F. No. 1831: A bill for an act relating to communications; appropriating money to the commissioner of administration for a matching grant to regional

cable television.

Referred to the Committee on Finance.

Mr. Spear and Ms. Berglin introduced—

S.F. No. 1832: A bill for an act relating to human services; expanding and improving child care services; defining terms; setting forth duties of the commissioner; providing grants for child care programs, facilities, and training; providing a toll-free telephone number; establishing an interagency advisory committee; requiring counties to keep a waiting list; expanding resource and referral assistance to employers; requiring a study; appropriating money; amending Minnesota Statutes 1986, sections 245.83, and by adding subdivisions; 245.84, subdivision 1; 268.911, subdivision 3; Minnesota Statutes 1987 Supplement, sections 245A.04, by adding a subdivision; and 268.91, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 245; repealing Minnesota Statutes 1986, sections 245.84, subdivision 4; 245.86; and 245.87.

Referred to the Committee on Health and Human Services.

Messrs. Bertram and Dahl introduced—

S.F. No. 1833: A bill for an act relating to veterans; authorizing a tax to defray the cost of a veterans service officer in any county where the officer may be employed; amending Minnesota Statutes 1986, section 197.60, subdivision 4.

Referred to the Committee on Veterans.

Messrs. Bertram and Benson introduced—

S.F. No. 1834: A bill for an act relating to utilities; prohibiting water utilities from imposing additional standby charges on owners of structures containing fire protection systems; proposing coding for new law in Minnesota Statutes, chapter 444.

Referred to the Committee on Public Utilities and Energy.

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

S.F. No. 1835: A bill for an act relating to crime; providing that burglary occurs if a person enters a building without consent and commits a crime without intent while in the building; extending first degree burglary to instances where an assault occurs on the property appurtenant to the entered building; providing that it is a felony to possess tools used in theft; amending Minnesota Statutes 1986, sections 609.582, subdivisions 1, 2, 3, and 4; and 609.59.

Referred to the Committee on Judiciary.

Messrs. Solon and Chmielewski introduced—

S.F. No. 1836: A bill for an act relating to appropriations; appropriating money to the commissioner of finance for loan to the western Lake Superior sanitary district.

Referred to the Committee on Environment and Natural Resources.

Messrs. Davis, Morse, Merriam and Renneke introduced—

S.F. No. 1837: A bill for an act relating to agriculture; appropriating money for enforcement of the organic food law.

Referred to the Committee on Agriculture.

Mr. Dicklich introduced—

S.F. No. 1838: A bill for an act relating to insurance; accident and health; requiring coverage for routine diagnostic procedures for cancer; proposing coding for new law in Minnesota Statutes, chapter 62A.

Referred to the Committee on Commerce.

Mr. Dicklich introduced—

S.F. No. 1839: A bill for an act relating to insurance; accident and health; authorizing the commissioner to hold a hearing on certain rate increases to determine if they are excessive; proposing coding for new law in Minnesota Statutes, chapter 62A.

Referred to the Committee on Commerce.

Mr. Dicklich introduced—

S.F. No. 1840: A bill for an act relating to telephones; combining local telephone service surcharges for emergency telephone service, telephone access for hearing impaired, and the telephone assistance plan into one surcharge; requiring the department of administration to separate the surcharges and administer the three separate accounts; adding low-income disabled persons to those eligible for the telephone assistance plan; clarifying eligibility for telephone assistance; clarifying administrative functions of and reimbursements to state agencies and telephone companies; amending Minnesota Statutes 1987 Supplement, sections 237.69, subdivision 6, and by adding subdivisions; and 237.70, subdivisions 3, 4, and 7; Laws 1987, chapter 340, section 17; proposing coding for new law in Minnesota Statutes, chapter 237; repealing Minnesota Statutes 1987 Supplement, section 237.72.

Referred to the Committee on Public Utilities and Energy.

Messrs. Spear and Jude introduced—

S.F. No. 1841: A bill for an act relating to driving while intoxicated; authorizing judges to order convicted DWI offenders to install an approved ignition interlock device as a condition of operating a motor vehicle; authorizing the department of public safety to require installation of an ignition interlock device as a condition of a limited license; requiring the department of public safety to certify interlock devices; providing penalties for misuse or tampering, and for failure to use the device; proposing coding for new law in Minnesota Statutes, chapter 169.

Referred to the Committee on Transportation.

Mr. Pogemiller introduced—

S.F. No. 1842: A bill for an act relating to human services; establishing an inventory, referral, and intake system for jobs and training and income

maintenance services; appropriating money; amending Minnesota Statutes 1986, section 268.86, by adding a subdivision.

Referred to the Committee on Health and Human Services.

Mr. Pogemiller introduced—

S.F. No. 1843: A bill for an act relating to the city of Minneapolis; permitting the establishment of downtown special service districts; providing taxing and other authority.

Referred to the Committee on Economic Development and Housing.

Messrs. Dahl, Wegscheid and Mrs. Adkins introduced—

S.F. No. 1844: A bill for an act relating to commerce; motor vehicles; regulating motor vehicle franchises; clarifying the intent of the legislature regarding cancellations, terminations, or nonrenewals; specifying unfair practices; prohibiting agreements designed to waive, nullify, or modify statutory regulation; requiring lessors to title and register vehicles; amending Minnesota Statutes 1986, sections 80E.06; 80E.07; 80E.08; 80E.09; 80E.13; and 168.27, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 80E.

Referred to the Committee on Commerce.

Mr. Luther and Ms. Peterson, D.C. introduced—

S.F. No. 1845: A bill for an act relating to insurance; regulating the issuance of health and accident policies; liability policies; homeowners policies; no-fault auto policies; dram shop policies; regulating trade practices; prohibiting the reduction of limits by the costs of defense in certain liability policies; requiring rented vehicle coverage in certain liability policies; regulating rehabilitations and liquidations; limiting the application of the life and health guaranty association to policies and annuity contracts owned by Minnesota residents; regulating insurance agent continuing education; providing for the extraterritorial application of accident and health coverages; mandating certain accident and health and long-term care benefits; defining certain terms related to the payment of losses under fire insurance policies; requiring coverage for water damage; defining certain terms; regulating rented motor vehicle coverages; clarifying a certain term related to disability and income loss benefit under the no-fault automobile act; providing for the return of unearned life insurance premiums upon surrender of the policy; regulating collision damage waivers; regulating certain dram shop policy exclusions; regulating notaries public; extending the period of appointment; amending Minnesota Statutes 1986, sections 60A.02, subdivision 7, and by adding a subdivision; 60A.08, by adding subdivisions; 60A.17, subdivisions 1 and 10; 60A.1701, subdivisions 1 and 9; 60B.17, subdivision 2, and by adding subdivisions; 61A.011, subdivision 1; 61B.03, subdivision 6; 62A.01; 62A.46, subdivisions 2 and 4; 62B.02, subdivision 6; 65A.08, by adding a subdivision; 65A.11; 65A.27, subdivision 1, and by adding a subdivision; 65A.33, subdivision 3; 65B.44, subdivision 3; 72A.20, by adding subdivisions; 340A.409, subdivision 1; 359.02; 359.03; and 359.05; Minnesota Statutes 1987 Supplement, sections 45.025, subdivision 8; 45.027, subdivision 7; 60A.1701, subdivisions 5, 7, and 8; 61A.092, subdivision 3; 61B.02, subdivision 1; 62A.041; 62A.152, subdivision 2; 62A.17, subdivision 2; 62A.27; 62A.46, subdivision 11;

62A.48, subdivisions 1, 2, and 7; 62A.50, subdivision 3; 62E.06, subdivision 1; 65B.15, subdivision 1; 65B.49, subdivision 5a; 65B.525, subdivision 1; 72A.125, by adding subdivisions; 72A.20, subdivisions 15 and 17; and 72A.201, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 45; 62A; 65A; and 72A; repealing Minnesota Statutes 1986, sections 359.061; 359.07; and 359.071; Minnesota Statutes 1987 Supplement, sections 60A.23, subdivision 7; and 60C.06, subdivision 5.

Referred to the Committee on Commerce.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Thursday, February 18, 1988. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

FIFTY-NINTH DAY

St. Paul, Minnesota, Thursday, February 18, 1988

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

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rev. James Bzoscik.

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

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

The President declared a quorum present.

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

MEMBERS EXCUSED

Mrs. Brataas, Messrs. Belanger, Kroening, Laidig, Lessard and Stumpf were excused from the Session of today.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communication was received and referred to the committee indicated.

January 27, 1988

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointments to the Minnesota Pollution Control Agency

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

Van R. Ellig, 106 E. Washington Ave., Fergus Falls, Otter Tail County, has been appointed by me, effective January 26, 1988, for a term expiring the first Monday in January, 1992.

Marcia Gelpe, 2125 Girard Ave. S., Minneapolis, Hennepin County, has been appointed by me, effective January 26, 1988, for a term expiring the first Monday in January, 1992.

(Referred to the Committee on Environment and Natural Resources.)

Sincerely,
Rudy Perpich, Governor

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of the reports pertaining to appointments. The motion prevailed.

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

S.F. No. 1622: A bill for an act relating to agriculture; clarifying which debtors are eligible for mediation; amending Minnesota Statutes 1986, section 583.24, subdivision 2.

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

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

S.F. No. 1643: A bill for an act relating to crimes; child abuse; eliminating the need to show emotional harm in proving unreasonable restraint or malicious punishment of a child; amending Minnesota Statutes 1986, sections 609.255, subdivision 3; and 609.377.

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

Page 2, line 2, before the comma, insert "*with respect to a child*"

Page 2, line 3, strike "cruelty"

Page 2, line 4, strike "to a child" and insert "*cruel discipline that is excessive under the circumstances*"

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

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

H.F. No. 320: A bill for an act relating to statutes; removing certain gender references; amending Minnesota Statutes 1986, section 459.16.

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

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 1574: A bill for an act relating to real property; mandating that city of Savage is owner in fee simple of title to certain land.

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

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 1581: A bill for an act relating to local government; providing for reports on certain improvements in cities of the first class; amending Minnesota Statutes 1987 Supplement, section 430.102, subdivision 1.

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

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 1607: A bill for an act relating to the city of Minneapolis; providing for the appointment, compensation, and liability of certain city employees and contractors; amending Laws 1969, chapter 937, section 1, subdivision 9, as amended, and 9a; Laws 1980, chapter 607, article 15, section 21; and Laws 1987, chapter 55, section 2.

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

Page 1, line 26, before the period, insert “;

(k) *Director of regulatory service;*

(l) *Director of communications and information service;*

(m) *Director of neighborhood services;*

(n) *Assistant to coordinator;*

(o) *Labor relations representative”*

Page 4, line 8, after the period, insert “*Section 3 is effective for calendar year 1987 and every year thereafter.*”

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

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

S.F. No. 1542: A bill for an act relating to agriculture; requiring agricultural contracts to comply with the plain language contract act; amending Minnesota Statutes 1986, sections 325G.30, by adding subdivisions; 325G.31; 325G.32; 325G.33, subdivision 2; 325G.34, subdivisions 3, 4, and 5; 325G.35, subdivisions 1, 3, and 5; and 325G.36.

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

Page 5, delete section 13 and insert:

"Sec. 13. Minnesota Statutes 1987 Supplement, section 325G.36, subdivision 1, is amended to read:

Subdivision 1. Any provision of *an agricultural contract* or a consumer contract ~~which that~~ waives or attempts to waive any provision of sections 325G.29 to 325G.36 is void."

Page 5, line 26, delete "July" and insert "January"

Page 5, line 27, delete "1987" and insert "1990"

Amend the title as follows:

Page 1, line 7, delete everything after the first semicolon and insert "and 325G.35, subdivisions 1, 3, and 5; Minnesota Statutes 1987 Supplement, section 325G.36, subdivision 1."

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

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

S.F. No. 1694: A bill for an act relating to crime; increasing penalties for selling or renting devices designed to make an unauthorized connection to a cable communications system; amending Minnesota Statutes 1986, section 609.80.

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

Pages 1 and 2, delete section 1 and insert:

"Section 1. Minnesota Statutes 1986, section 609.80, is amended to read:

609.80 [INTERFERING WITH CABLE COMMUNICATIONS SYSTEMS.]

Subdivision 1. [MISDEMEANOR.] Whoever does any of the following is guilty of a misdemeanor:

(1) intentionally and with the purpose of making or aiding in an unauthorized connection as ~~defined in prohibited by~~ section 609.52, subdivision 2, clause (12) to a licensed cable communications system as defined in chapter 238 ~~sells, rents, lends, offers, or advertises for sale, rental or use, gives to another~~ any instrument, apparatus, equipment, or device *designed to make an unauthorized connection*, or plan, specification or instruction for making an unauthorized connection, *without receiving or seeking to receive money or any other thing of value in exchange*; or

(2) intentionally tampers with, removes or injures any cable, wire, or other component of a licensed cable communications system as defined in chapter 238; or

(3) intentionally and without claim of right interrupts a service of a licensed cable communications system as defined in chapter 238.

Subd. 2. [COMMERCIAL ACTIVITY; FELONY.] Whoever *sells or rents, or offers or advertises for sale or rental, any instrument, apparatus, equipment, or device designed to make an unauthorized connection as prohibited by section 609.52, subdivision 2, clause (12), to a licensed cable communications system as defined in chapter 238, or a plan, specification, or*

instructions for making an unauthorized connection, is guilty of a felony and may be sentenced to three years of imprisonment and a fine of \$5,000, or both."

Amend the title as follows:

Page 1, line 2, before "selling" insert "advertising," and delete "or" and insert ", and"

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

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

S.F. No. 1738: A bill for an act relating to criminal sexual conduct; clarifying the definition of "consent"; amending Minnesota Statutes 1986, section 609.341, subdivision 4.

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

Page 1, line 11, delete the new language and insert "*with the actor*"

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

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

S.F. No. 1644: A bill for an act relating to statutes; revising the text of certain laws to remove redundant and obsolete language, to simplify grammar and syntax, and to improve the style of language without causing changes in the meaning of the laws; amending Minnesota Statutes 1986, chapters 3, as amended; 31A; 227; 228; 306, as amended; 451; 456; and 560.

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

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

S.F. No. 1645: A bill for an act relating to Minnesota Statutes; correcting erroneous, ambiguous, omitted, and obsolete references and text; eliminating certain redundant, conflicting, and superseded provisions; providing instructions to the revisor; making miscellaneous corrections to statutes and other laws; amending Minnesota Statutes 1986, sections 10A.01, subdivisions 5 and 18; 13.46, subdivision 2; 116.44, subdivision 1; 121.931, subdivision 5; 126.70, subdivision 2; 127.35; 129B.40, subdivision 1; 145.921; 157.03; 176.081, subdivision 1; 176.101, subdivision 3e; 176.421, subdivision 7; 205.065, subdivision 1; 205.18, subdivision 2; 245.77; 256.991; 268.04, subdivision 32; 273.124, subdivision 6; 290.05, subdivision 3; 290.50, subdivision 3; 290.92, subdivision 23; 308.11; 383B.229; 473.605, subdivision 2; 473.845, subdivision 1; 485.018, subdivision 2; 515A.3-115; 548.09, subdivision 2; 611A.53, subdivision 1; Minnesota Statutes 1987 Supplement, sections 16A.26; 16A.661, subdivision 3; 105.81; 120.05, subdivision 2; 124.646, subdivision 1; 129B.39; 136D.71; 144.122; 145A.07, subdivision 1; 176.131, subdivision 1; 214.01, subdivision 2; 256.01, subdivision 2; 256B.69, subdivision 16; 256D.03, subdivision 4;

256G.02, subdivision 4; 256G.06; 257.354, subdivision 4; 268.91, subdivision 3e; 297.07, subdivision 3; 297.35, subdivision 3; 298.2211, subdivision 1; 352.01, subdivision 2b; 353.01, subdivision 2a; 383B.77; 469.121, subdivision 1; 469.129, subdivision 1; 469.170, subdivisions 1, 3, 7, and 8; 471.562, subdivision 4; 471.563; 474A.02, subdivision 18; 525.94, subdivision 3; 582.041, subdivision 2; reenacting Minnesota Statutes 1987 Supplement, section 80A.14, subdivision 18; repealing Minnesota Statutes 1986, sections 226.01; 226.02; 226.03; 226.04; 226.05; 226.06; 260.125, subdivision 6; 326.01, subdivision 21; 362A.08; repealing Laws 1965, chapter 267, section 1; Laws 1971, chapter 830, section 7; Laws 1976, chapters 134, sections 2 and 30; 163, section 10; Laws 1977, chapter 35, section 8; Laws 1978, chapters 496, section 1; 706, section 31; Laws 1979, chapters 48, section 2; 184, section 3; Laws 1981, chapter 271, section 1; Laws 1982, chapter 514, section 15; Laws 1983, chapters 242, section 1; 247, sections 38 and 130; 289, section 4; 290, sections 2 and 3; 299, section 26; 303, sections 21 and 22; Laws 1985, First Special Session chapter 9, article 2, sections 81, 82, and 88; Laws 1986, chapters 312, section 1; 400, section 43; 452, section 17; Laws 1986, First Special Session chapter 3, article 1, sections 74 and 79; and Laws 1987, chapters 268, article 5, section 5; 384, article 2, section 25; 385, section 7; 403, article 5, section 1; 404, section 138.

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

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

S.F. No. 1725: A bill for an act relating to environment; authorizing inspection of certain records kept by waste facilities; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 115A.

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

Delete everything after the enacting clause and insert:

“Section 1. [115A.882] [INSPECTION OF RECORDS.]

A person authorized by a county in which a designation is effective may, upon presentation of identification and without a subpoena, inspect or copy records of an owner or operator of any waste facility in the state that contain information regarding the volume, type, origin, and weight of the waste received by the facility, and the date and time of weighing. A person who fails to open for inspection and copying the records referred to in this section is guilty of a misdemeanor.”

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

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

S.F. No. 1592: A bill for an act relating to transportation; increasing the tax on gasoline and special fuel to 20 cents per gallon; increasing the share of motor vehicle excise tax revenues dedicated to highways and transit to 35 percent; amending Minnesota Statutes 1986, section 296.02, subdivision 1b; and Minnesota Statutes 1987 Supplement, sections 296.025, subdivisions 2a and 2b; and 297B.09, subdivision 1.

Reports the same back with the recommendation that the bill be amended

as follows:

Page 4, line 4, delete "*Section 1 is*" and insert "*Sections 1 to 3 are*" and delete "*applies*" and insert "*apply*"

And when so amended the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Amendments adopted. Report adopted.

Mr. Chmielewski from the Committee on Employment, to which was referred

S.F. No. 1710: A bill for an act relating to insurance; clarifying powers of state compensation insurance fund; amending Minnesota Statutes 1987 Supplement, section 176A.04; proposing coding for new law in Minnesota Statutes, chapter 176A.

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

Page 2, line 13, strike "that are"

Page 2, line 14, strike everything before the period

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

Mr. Chmielewski from the Committee on Employment, to which was referred

S.F. No. 1733: A bill for an act relating to workers' compensation; recodifying the workers' compensation law in chapter 176; proposing coding for new law as Minnesota Statutes, chapter 176C; repealing Minnesota Statutes 1986 and Minnesota Statutes 1987 Supplement, chapter 176.

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

Delete everything after the enacting clause and insert:

"Section 1. [RECODIFICATION OF WORKERS' COMPENSATION LAW.]

The revisor of statutes shall recodify the workers' compensation law, including Minnesota Statutes, chapter 176, and its judicial and administrative interpretation.

The recodification must not make any substantive changes but shall provide a comprehensive, accurate, and complete restatement.

Each state department agency and legislative staff, including senate counsel and house research, shall provide assistance in the recodification as requested by the revisor of statutes.

The revisor shall report to the legislature by January 15, 1989, on the progress of the recodification. The revisor shall prepare a bill to implement its recommendations for recodification by January 15, 1990."

Delete the title and insert:

"A bill for an act relating to workers' compensation; directing the revisor of statutes to recodify chapter 176 relating to workers' compensation."

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

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 1608: A bill for an act relating to the city of Minneapolis; updating references in its development laws; amending Laws 1980, chapter 595, section 3, subdivisions 1, as amended, 3, 6, and 7; and section 4.

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

Page 2, lines 3 and 13, delete "469.141" and insert "469.134"

Page 2, line 13, before "and" insert "469.136 to 469.140,"

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

Mr. Spear from the Committee on Judiciary, to which was referred the following appointment as reported in the Journal for February 9, 1988:

DEPARTMENT OF HUMAN RIGHTS
COMMISSIONER

Stephen W. Cooper

Reports the same back with the recommendation that the appointment be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Dicklich from the Committee on Public Utilities and Energy, to which was referred the following appointment as reported in the Journal for February 9, 1988:

PUBLIC UTILITIES COMMISSION

Norma McKanna

Reports the same back with the recommendation that the appointment be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which were referred the following appointments as reported in the Journal for March 12, 1987:

DEPARTMENT OF ADMINISTRATION
COMMISSIONER

Sandra Hale

DEPARTMENT OF EMPLOYEE RELATIONS
COMMISSIONER

Nina Rothchild

STATE PLANNING AGENCY
DIRECTOR

Lani Kawamura

Reports the same back with the recommendation that the appointments be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

SECOND READING OF SENATE BILLS

S.F. Nos. 1622, 1643, 1574, 1581, 1607, 1542, 1694, 1738, 1644, 1645, 1725, 1710, 1733 and 1608 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. No. 320 was read the second time.

MOTIONS AND RESOLUTIONS

Mr. Lessard moved that the names of Messrs. Bertram, Chmielewski and Anderson be added as co-authors to S.F. No. 262. The motion prevailed.

Mr. Wegscheid moved that the name of Mr. Dahl be added as a co-author to S.F. No. 1021. The motion prevailed.

Mr. Johnson, D.J. moved that the name of Mr. Novak be added as a co-author to S.F. No. 1536. The motion prevailed.

Ms. Berglin moved that the name of Mr. Marty be added as a co-author to S.F. No. 1625. The motion prevailed.

Mr. Larson moved that the name of Mr. Frederickson, D.R. be added as a co-author to S.F. No. 1655. The motion prevailed.

Mr. Larson moved that the name of Mr. Johnson, D.E. be added as a co-author to S.F. No. 1656. The motion prevailed.

Mr. Dicklich moved that the name of Ms. Berglin be added as a co-author to S.F. No. 1669. The motion prevailed.

Ms. Reichgott moved that the names of Messrs. Marty and Ramstad be added as co-authors to S.F. No. 1694. The motion prevailed.

Mr. Pehler moved that the name of Mr. Johnson, D.E. be added as a co-author to S.F. No. 1702. The motion prevailed.

Mr. Chmielewski moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 1717. The motion prevailed.

Mr. Chmielewski moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 1721. The motion prevailed.

Ms. Peterson, D.C. moved that the name of Mr. Pehler be added as a co-author to S.F. No. 1729. The motion prevailed.

Mr. Merriam moved that the names of Messrs. Moe, R.D.; Novak; Solon and Gustafson be added as co-authors to S.F. No. 1731. The motion prevailed.

Mr. Lessard moved that his name be stricken as a co-author to S.F. No. 1735. The motion prevailed.

Mr. Marty moved that the names of Mr. Vickerman and Ms. Piper be added as co-authors to S.F. No. 1761. The motion prevailed.

Ms. Reichgott moved that the names of Mr. Vickerman, Ms. Piper and Mr. Pogemiller be added as co-authors to S.F. No. 1769. The motion prevailed.

Ms. Reichgott moved that the name of Mr. Merriam be added as a co-author to S.F. No. 1783. The motion prevailed.

Mr. Peterson, R.W. moved that the name of Mr. Dahl be added as a co-author to S.F. No. 1788. The motion prevailed.

Mr. Laidig moved that the name of Mr. Dahl be added as a co-author to S.F. No. 1792. The motion prevailed.

Mr. Pehler moved that the name of Mr. Morse be added as a co-author to S.F. No. 1798. The motion prevailed.

Mr. Pehler moved that the name of Mr. Morse be added as a co-author to S.F. No. 1799. The motion prevailed.

Mr. Spear moved that the name of Mr. Dahl be added as a co-author to S.F. No. 1801. The motion prevailed.

Mr. Pehler moved that the names of Messrs. Morse and Beckman be added as co-authors to S.F. No. 1807. The motion prevailed.

Mr. Marty moved that the names of Ms. Berglin and Mr. Dahl be added as co-authors to S.F. No. 1809. The motion prevailed.

Mr. Dicklich moved that the name of Mrs. McQuaid be added as a co-author to S.F. No. 1815. The motion prevailed.

Ms. Reichgott moved that the names of Messrs. Marty and Dahl be added as co-authors to S.F. No. 1821. The motion prevailed.

Mr. Samuelson moved that the name of Mr. Vickerman be added as a co-author to S.F. No. 1823. The motion prevailed.

Mr. Samuelson moved that the names of Mr. Vickerman and Ms. Berglin be added as co-authors to S.F. No. 1824. The motion prevailed.

Mr. Samuelson moved that the name of Mr. Vickerman be added as a co-author to S.F. No. 1826. The motion prevailed.

Mr. Bertram moved that the name of Mr. Vickerman be added as a co-author to S.F. No. 1833. The motion prevailed.

Mr. Davis moved that the name of Mr. DeCramer be added as a co-author to S.F. No. 1837. The motion prevailed.

Mr. Dicklich moved that the name of Mr. Dahl be added as a co-author to S.F. No. 1838. The motion prevailed.

Mr. Spear moved that the name of Mr. Vickerman be added as a co-author to S.F. No. 1841. The motion prevailed.

Mr. Luther moved that the name of Mr. Dahl be added as a co-author to S.F. No. 1845. The motion prevailed.

Mr. Purfeerst moved that S.F. No. 209 be withdrawn from the Committee on Judiciary and returned to its author. The motion prevailed.

Mr. Bernhagen introduced—

Senate Resolution No. 106: A Senate resolution congratulating the Hutchinson High School Bicentennial Team for winning the state finals of the National Bicentennial Competition on the Constitution and Bill of Rights.

Referred to the Committee on Rules and Administration.

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

Senate Resolution No. 107: A Senate resolution congratulating the Minnesota High School Vikings for winning the 1987 Minnesota Prep Bowl VI Class C Football Championship.

Referred to the Committee on Rules and Administration.

Mr. Belanger introduced—

Senate Resolution No. 108: A Senate resolution congratulating the Academic Decathlon team from Bloomington Jefferson High School for winning the 1988 Minnesota Academic Decathlon Championship.

Referred to the Committee on Rules and Administration.

Mr. Johnson, D.E. introduced—

Senate Resolution No. 109: A Senate resolution commending former Police Chief Lyle Goeddertz for 33 years of service to the people of Willmar.

Referred to the Committee on Rules and Administration.

Mr. Johnson, D.E. introduced—

Senate Resolution No. 110: A Senate resolution commending Sergeant Millard Helgeson for over 35 years of service in the Minnesota State Patrol.

Referred to the Committee on Rules and Administration.

Mr. Moe, R.D. introduced—

Senate Resolution No. 111: A Senate resolution providing for Senate committee assignments.

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

That Senate Resolution No. 3 relating to standing committees of the Senate for the 75th session, Senate Permanent Journal, page 14, as amended by Senate Resolution No. 93, Daily Journal, page 5344, be amended as follows:

Elections and Ethics - 49 11

Add: Cohen

Veterans - 9 10

Add: Vickerman

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

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

Senate Resolution No. 112: A Senate resolution commending the people and officials of the city of Winona and the students and officials of Winona State University for hosting the 1988 State of the State address by Governor Perpich.

WHEREAS, the annual State of the State address by the governor is the prelude to the Minnesota legislative session; and

WHEREAS, the State of the State address lays the foundation for the legislative session and is heard by people throughout the state; and

WHEREAS, the 1988 State of the State address was given by Governor Perpich at Winona State University; and

WHEREAS, the people of Winona were gracious hosts to legislators who traveled to Winona to hear the speech; and

WHEREAS, the arrangements for the address and the accommodation of state officials were widely recognized as excellent; and

WHEREAS, members of the Minnesota Legislature and other state officials are grateful for the welcome they received in Winona; NOW, THEREFORE,

BE IT RESOLVED by the Senate of the State of Minnesota that it thanks the people and officials of the city of Winona and the students and officials of Winona State University for hosting the 1988 State of the State address.

BE IT FURTHER RESOLVED that the Secretary of the Senate is directed to prepare enrolled copies of this resolution, to be authenticated by his signature and that of the Chairman of the Senate Rules and Administration Committee, and present them to the Mayor of the city of Winona and the President of Winona State University.

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

Mr. Jude moved that S.F. No. 304 be withdrawn from the Committee on Finance and re-referred to the Committee on Taxes and Tax Laws. The motion prevailed.

Mr. Cohen moved that S.F. No. 232 be taken from the table. The motion prevailed.

S.F. No. 232: A bill for an act relating to crimes; expanding the definition of crime for victims' rights provisions to include ordinance violations resulting in bodily harm; expanding crimes that entitle victim to notice of plea agreement; granting right to victim to submit an impact statement to the court; requiring officers to give victims a notice of their rights; requiring prosecutors to present to the court a written victim impact summary prepared by the victim; ensuring privacy of victim's request for notice of prisoner release; amending Minnesota Statutes 1986, sections 611A.01; 611A.02; and 611A.06; proposing coding for new law in Minnesota Statutes, chapter 611A; repealing Minnesota Statutes 1986, section 611A.03, subdivision 3.

Mr. Cohen moved that the Senate do not concur in the amendments by the House to S.F. No. 232, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1575, No. 1 on the General Orders Calendar, a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1575: A bill for an act relating to game and fish; clarifying when a trout and salmon stamp is required and responsibility for road-kill deer; amending Minnesota Statutes 1986, section 97C.305; Minnesota Statutes 1987 Supplement, sections 97A.475, subdivisions 6 and 7; 97A.485, subdivision 6; and 97A.502; repealing Minnesota Statutes 1987 Supplement, section 97A.451, subdivision 1.

Mr. Berg moved to amend S.F. No. 1575 as follows:

Page 2, line 24, strike "bear and"

The motion prevailed. So the amendment was adopted.

Mr. Johnson, D.J. moved to amend S.F. No. 1575 as follows:

Page 2, line 27, before the period, insert "; and

(4) for a stamp that is not issued simultaneously with a small game, angling, or sporting license, the issuing fee is 50 cents"

Page 2, delete line 28 and insert:

"(b) An issuing fee may not be collected for issuance of a stamp if a stamp is issued simultaneously with the related small game, angling, or sporting license. Only one issuing fee may be collected when selling more than one stamp in the same transaction after the end of the season for which the stamp was issued."

Mr. Johnson, D.J. then moved to amend the Johnson, D.J. amendment to S.F. No. 1575 as follows:

Page 1, line 3, delete the second "a" and insert "an"

Page 1, line 4, delete "small game," and after "angling" delete the comma

Page 1, line 8, delete "small"

Page 1, line 9, delete "game," and after "angling" delete the comma

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

The question recurred on the Johnson, D.J. amendment, as amended. The motion prevailed. So the amendment, as amended, was adopted.

Mr. Decker moved to amend S.F. No. 1575 as follows:

Page 1, strike lines 18 and 19

Re-number the clauses in sequence

Page 2, strike line 36

Page 3, strike lines 1 to 4

Page 3, delete section 6

Re-number the sections in sequence

Amend the title as follows:

Page 1, line 7, delete everything after "97A.502" and insert a period

Page 1, delete lines 8 and 9

The question was taken on the adoption of the amendment.

Mr. Berg moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 25 and nays 34, as follows:

Those who voted in the affirmative were:

Anderson	Decker	Knaak	Metzen	Samuelson
Benson	Frank	Knutson	Morse	Schmitz
Berglin	Frederick	Larson	Olson	Storm
Bernhagen	Johnson, D.E.	McQuaid	Ramstad	Taylor
Dahl	Jude	Mehrkens	Renneke	Vickerman

Those who voted in the negative were:

Adkins	DeCramer	Johnson, D.J.	Moe, R.D.	Purfeerst
Beckman	Dicklich	Langseth	Novak	Reichgott
Berg	Frederickson, D.J.	Lantry	Pehler	Solon
Brandl	Frederickson, D.R.	Luther	Peterson, D.C.	Spear
Chmielewski	Freeman	Marty	Peterson, R.W.	Waldorf
Cohen	Gustafson	Merriam	Piper	Wegscheid
Davis	Hughes	Moe, D.M.	Pogemiller	

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

CALL OF THE SENATE

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

S.F. No. 1575 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 49 and nays 10, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Hughes	Moe, D.M.	Reichgott
Beckman	Decker	Johnson, D.E.	Moe, R.D.	Renneke
Benson	DeCramer	Johnson, D.J.	Novak	Schmitz
Berg	Dicklich	Jude	Pehler	Solon
Bernhagen	Diessner	Langseth	Peterson, D.C.	Spear
Bertram	Frank	Lantry	Peterson, R.W.	Storm
Brandl	Frederick	Larson	Piper	Vickerman
Chmielewski	Frederickson, D.J.	Luther	Pogemiller	Waldorf
Cohen	Frederickson, D.R.	Marty	Purfeerst	Wegscheid
Dahl	Freeman	Merriam	Ramstad	

Those who voted in the negative were:

Anderson	Gustafson	McQuaid	Metzen	Samuelson
Berglin	Knaak	Mehrkens	Morse	Taylor

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

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Messrs. Diessner, Hughes and Jude introduced—

S.F. No. 1846: A bill for an act relating to elections; allowing additional changes in precinct boundaries in certain instances; amending Minnesota Statutes 1987 Supplement, section 204B.14, subdivision 3.

Referred to the Committee on Elections and Ethics.

Messrs. Novak, Metzen, Ms. Piper, Messrs. Pehler and Vickerman introduced—

S.F. No. 1847: A bill for an act relating to taxation; property tax refunds; restoring the full amount for 1986 claims; removing the appropriation limit for 1987 claims; appropriating money; amending Laws 1987, chapter 268, article 3, section 12.

Referred to the Committee on Taxes and Tax Laws.

Ms. Peterson, D.C. introduced—

S.F. No. 1848: A bill for an act relating to education; making changes in the budget law relating to special school district No. 1, Minneapolis; amending Laws 1959, chapter 462, section 3, subdivision 4, as amended.

Referred to the Committee on Education.

Mr. Frederickson, D.J. and Ms. Peterson, D.C. introduced—

S.F. No. 1849: A bill for an act relating to education; providing for a deficiency appropriation for special education for fiscal year 1989; appropriating money.

Referred to the Committee on Education.

Mr. Frederickson, D.J. introduced—

S.F. No. 1850: A bill for an act relating to taxes; providing dates for reporting on the collection of delinquent manufactured homes taxes; amending Minnesota Statutes 1986, sections 277.05; and 277.06.

Referred to the Committee on Taxes and Tax Laws.

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

S.F. No. 1851: A bill for an act relating to public safety; providing for certain emergency use telephone service at tank farms; proposing coding for new law in Minnesota Statutes, chapter 17.

Referred to the Committee on Agriculture.

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

S.F. No. 1852: A bill for an act relating to education; allowing money raised by referendum levy to be placed in any school district fund and spent for any school district purpose; amending Minnesota Statutes 1986, section 124A.03, subdivision 2.

Referred to the Committee on Education.

Mr. Solon introduced—

S.F. No. 1853: A bill for an act relating to general assistance medical care; making prisoners eligible for benefits; amending Minnesota Statutes 1987 Supplement, section 256D.03, subdivision 3.

Referred to the Committee on Health and Human Services.

Mr. Laidig introduced—

S.F. No. 1854: A bill for an act relating to financial institutions; clarifying the mortgage lock-in law, the usury laws, the motor vehicle certificate of title law, the sales tax law, the plain language law, and the mortgage foreclosure law; amending Minnesota Statutes 1986, sections 48.195, 168A.10, subdivision 5; 325G.30, subdivision 3; 334.01, by adding a subdivision; 334.011, subdivision 1; and 582.30, by adding a subdivision; Minnesota Statutes 1987 Supplement, sections 47.206, subdivision 1; and 297A.01, subdivision 8; repealing Minnesota Statutes 1986, section 334.012.

Referred to the Committee on Commerce.

Mr. Chmielewski introduced—

S.F. No. 1855: A bill for an act relating to natural resources; specifying the procedure to be used by the state for acquiring land by gift; amending Minnesota Statutes 1986, section 97A.145, subdivision 2.

Referred to the Committee on Environment and Natural Resources.

Mr. Wegscheid and Mrs. Adkins introduced—

S.F. No. 1856: A bill for an act relating to education; increasing the formula allowance for general education revenue for the 1988-1989 school year; appropriating money; amending Minnesota Statutes 1987 supplement, section 124A.22, subdivision 2.

Referred to the Committee on Education.

Mrs. Lantry and Ms. Berglin introduced—

S.F. No. 1857: A bill for an act relating to human services; providing for the duration of work incentive subsidized housing emergency rules; requiring mandatory school attendance for certain AFDC recipients who are minors; providing for implementation of the food stamp employment and training program; appropriating money; amending Minnesota Statutes 1986, sections 245.771, by adding a subdivision; 256.736, by adding subdivisions; Minnesota Statutes 1987 Supplement, section 256.736, subdivisions 1b and 4.

Referred to the Committee on Health and Human Services.

Mrs. Adkins, Messrs. Vickerman; Renneke; Frederickson, D.R. and Schmitz introduced—

S.F. No. 1858: A bill for an act relating to local improvements; special assessments; authorizing towns to make certain improvements; amending Minnesota Statutes 1986, section 429.011, subdivision 2b.

Referred to the Committee on Local and Urban Government.

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

S.F. No. 1859: A bill for an act relating to public meetings; authorizing the governing board of a joint vocational technical district to establish meeting sites; amending Minnesota Statutes 1986, section 136C.61, by adding a subdivision.

Referred to the Committee on Education.

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

S.F. No. 1860: A bill for an act relating to education; establishing library resources at certain technical institutes coordinated by Southwest State University; appropriating money.

Referred to the Committee on Education.

Messrs. Pehler; Moe, R.D.; Bertram; Mrs. Adkins and Mr. Johnson, D.E. introduced—

S.F. No. 1861: A bill for an act relating to health maintenance organizations; insurance; requiring replacement coverage in the event an HMO cancels coverage; increasing state comprehensive health plan liabilities in the event a member terminates coverage; increasing health maintenance organization notice requirements and annual reporting requirements; amending Minnesota Statutes 1986, sections 62D.07; 62D.08, subdivision 5; 62D.09; 62D.101; 62D.11; 62D.12, subdivision 2, and by adding a subdivision; 62D.17, subdivision 1; 62E.11, by adding subdivisions; 62E.14, subdivisions 1, 3, and by adding a subdivision; 62E.16; Minnesota Statutes 1987 Supplement, sections 62A.17, subdivision 6; and 62D.08, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 62D; repealing Laws 1984, chapter 464, sections 29 and 40.

Referred to the Committee on Health and Human Services.

Mr. Dahl introduced—

S.F. No. 1862: A bill for an act relating to local government; permitting the establishment by municipalities of street and road improvement districts; amending Minnesota Statutes 1986, sections 444.16; 444.17; and 444.18.

Referred to the Committee on Local and Urban Government.

Mr. Dahl, Mrs. Lantry and Mr. Merriam introduced—

S.F. No. 1863: A bill for an act relating to claims against the state; providing for payment of various claims; appropriating money.

Referred to the Committee on Finance.

Messrs. Hughes, Langseth, Frank, Chmielewski and Dahl introduced—

S.F. No. 1864: A bill for an act relating to public safety; creating division of elevator inspection in the department of labor and industry; providing for duties, powers, and fees; providing for annual, statewide, certified inspections of elevators by qualified inspectors; allowing municipalities with qualified elevator inspection programs to be exempt from state inspection; prescribing a penalty; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 183.

Referred to the Committee on Employment.

Messrs. Hughes; Peterson, R.W.; Ms. Reichgott, Mr. Dahl and Ms. Olson introduced—

S.F. No. 1865: A bill for an act relating to education; allowing school boards to permit certain pupils to attend school for more or less than six

hours a day; requiring aids and levies to be prorated; amending Minnesota Statutes 1986, section 123.35, by adding a subdivision; proposing coding for new law in chapter 124.

Referred to the Committee on Education.

Messrs. Marty, Morse, Ms. Peterson, D.C.; Messrs. Luther and Pogemiller introduced—

S.F. No. 1866: A bill for an act relating to elections; prohibiting a candidate from using disbursements for certain purposes; suspending public subsidy expenditure limits under certain circumstances; amending Minnesota Statutes 1986, sections 10A.04, subdivision 4; 10A.15, by adding a subdivision; and 10A.25, subdivision 10; proposing coding for new law in Minnesota Statutes, chapter 10A.

Referred to the Committee on Elections and Ethics.

Ms. Piper and Mr. Solon introduced—

S.F. No. 1867: A bill for an act relating to consumer protection; regulating cemeteries, mausoleums, and prearranged funeral services; requiring the establishment of a construction fund account; requiring a permanent care account for any mausoleum; providing reporting requirements; broadening the powers of the county auditors and state auditor; amending Minnesota Statutes 1986, sections 149.11; 149.13; 306.03; 306.04; 306.37; 306.761; 306.77; and 306.773, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 306.

Referred to the Committee on Commerce.

Mr. Marty, Ms. Peterson, D.C.; Messrs. Merriam, Luther and Ms. Piper introduced—

S.F. No. 1868: A bill for an act relating to public safety; allowing certain political subdivisions to regulate the possession of firearms on publicly owned property; providing a defense for museum operators to a charge of possessing certain dangerous weapons; clarifying that dealers and manufacturers must report brand names of machine guns and certain shotguns to the bureau of criminal apprehension; amending Minnesota Statutes 1986, sections 471.634; 609.66, subdivision 2; Minnesota Statutes 1987 Supplement, section 609.67, subdivisions 3 and 4.

Referred to the Committee on Judiciary.

Ms. Berglin introduced—

S.F. No. 1869: A bill for an act relating to human services; refining the comprehensive mental health act; transferring an appropriation; amending Minnesota Statutes 1986, section 256E.12, subdivisions 1 and 2; Minnesota Statutes 1987 Supplement, sections 245.462, subdivisions 3, 4, 6, 17, 18, 19, 20, 21, 23, and 25; 245.465; 245.466, subdivisions 1, 2, and 5; 245.467, by adding subdivisions; 245.469, subdivision 2; 245.471, subdivisions 2 and 3; 245.475, subdivisions 1 and 2; 245.476, subdivision 1; 245.477; 245.478, subdivisions 1, 2, and 9; 245.479; 245.482, subdivision 2; 256B.02, subdivision 8; 256E.12, subdivision 3; and Laws 1987, chapter 403, article 2, section 34.

Referred to the Committee on Health and Human Services.

Mrs. Lantry, Messrs. Pogemiller, Spear, Brandl and Samuelson introduced—

S.F. No. 1870: A bill for an act relating to human services; establishing a demonstration project; requiring an evaluation and report; appropriating money.

Referred to the Committee on Health and Human Services.

Messrs. Ramstad and Spear introduced—

S.F. No. 1871: A bill for an act relating to family law; prohibiting certain false allegations of child abuse; regulating child custody hearings; providing a penalty; amending Minnesota Statutes 1986, section 518.17, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 609.

Referred to the Committee on Judiciary.

Messrs. Stumpf, Pehler, Metzen, Samuelson and Solon introduced—

S.F. No. 1872: A bill for an act relating to taxation; exempting railroad retirement benefits from taxation; amending Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19b.

Referred to the Committee on Taxes and Tax Laws.

Ms. Reichgott, Messrs. Marty, Frank, Novak and Hughes introduced—

S.F. No. 1873: A bill for an act relating to education; making changes in the training and experience revenue and the minimum allowance aid formulas; amending Minnesota Statutes 1987 Supplement, sections 124A.22, subdivision 4; and 124A.25, subdivision 2.

Referred to the Committee on Education.

Messrs. Freeman, Lessard, Merriam and Bernhagen introduced—

S.F. No. 1874: A bill for an act relating to natural resources; providing for the establishment of an off-road vehicle recreation program; providing a penalty; proposing coding for new law in Minnesota Statutes, chapter 84.

Referred to the Committee on Environment and Natural Resources.

Ms. Peterson, D.C.; Mr. Pogemiller, Ms. Berglin, Messrs. Spear and Kroening introduced—

S.F. No. 1875: A bill for an act relating to the city of Minneapolis; authorizing contracts with labor organizations for the provision of certain skilled trade and craft services.

Referred to the Committee on Local and Urban Government.

Messrs. Novak, Purfeerst, Schmitz, DeCramer and Bernhagen introduced—

S.F. No. 1876: A bill for an act relating to transportation; providing for application of rules; providing for agreements with other states to administer special permits for vehicles exceeding weight and length restrictions; exempting limousines from motor carrier regulation; clarifying the filing of petitions for operating certificates and permits, carrying of cab cards, and requirements for private carriers; establishing insurance requirements; providing that investigative data on violations under chapter 221 may be given to transportation regulation board; amending Minnesota Statutes 1986, sections 169.86, by adding a subdivision; 221.025; 221.031, subdivisions 1, 2, 2a, and 3; 221.081; 221.121, subdivisions 1 and 5; 221.141, subdivision 1; 221.151, subdivision 1; 221.172, subdivision 2; 221.185, subdivision 9; 221.291, subdivisions 1 and 2; 221.296, subdivisions 4 and 8; and 221.81, subdivision 3a; Minnesota Statutes 1987 Supplement, sections 221.031, subdivision 7; 221.061; 221.291, subdivision 3; and 221.296, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 169 and 221; repealing Minnesota Statutes 1986, section 13.72, subdivision 3.

Referred to the Committee on Transportation.

Messrs. Novak; Merriam; Johnson, D.J.; Ms. Peterson, D.C. and Mr. Benson introduced—

S.F. No. 1877: A bill for an act relating to counties; exempting the issuance of certain county bonds from the election requirement; authorizing county building fund levies; amending Minnesota Statutes 1986, sections 373.25, subdivision 1; 475.52, subdivision 3; and 475.58, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 373.

Referred to the Committee on Local and Urban Government.

Ms. Peterson, D.C.; Messrs. Brandl, Knaak, Stumpf and DeCramer introduced—

S.F. No. 1878: A bill for an act relating to education; establishing an Indian school council to establish opportunities for Indian control of Indian education through optional means; requiring the council to make certain recommendations; appropriating money.

Referred to the Committee on Education.

Messrs. Wegscheid; Davis; Frederickson, D.J.; Mehrkens and Berg introduced—

S.F. No. 1879: A bill for an act relating to agriculture; providing penalties and liability for damages for unauthorized release of domestic animals; proposing coding for new law in Minnesota Statutes, chapter 346.

Referred to the Committee on Agriculture.

Ms. Peterson, D.C. introduced—

S.F. No. 1880: A bill for an act relating to crimes; providing for the admissibility of certain evidence in domestic violence cases; requiring prosecutors to notify domestic violence victims of a decision to decline

prosecution or to dismiss criminal charges; requiring peace officers to inform domestic violence victims of the prosecutor's notification duty; amending Minnesota Statutes 1986, section 629.341, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 609 and 611A.

Referred to the Committee on Judiciary.

Messrs. Hughes, Langseth, Mses. Peterson, D.C.; Reichgott and Mr. Knutson introduced—

S.F. No. 1881: A bill for an act relating to education; creating demonstration parental involvement programs; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 129B.

Referred to the Committee on Education.

Mr. Spear, Mses. Peterson, D.C.; Berglin and Mr. Pehler introduced—

S.F. No. 1882: A bill for an act relating to education; requiring milk substitutes or alternative food items for lactose intolerant children in school milk distribution programs; proposing coding for new law in Minnesota Statutes, chapter 124.

Referred to the Committee on Education.

Messrs. Pehler and Frank introduced—

S.F. No. 1883: A bill for an act relating to public safety; creating the state advisory council of examiners for fire protection systems; requiring licenses and inspections by the department of labor and industry; imposing a penalty; proposing coding for new law in Minnesota Statutes, chapter 326.

Referred to the Committee on Governmental Operations.

Mrs. Adkins introduced—

S.F. No. 1884: A bill for an act relating to education; removing permission to comply with state board curriculum rules by offering summer electives; repealing Minnesota Statutes 1987 Supplement, section 121.11, subdivision 16.

Referred to the Committee on Education.

Ms. Peterson, D.C.; Messrs. Solon, Metzen, Frederick and Freeman introduced—

S.F. No. 1885: A bill for an act relating to commerce; motor fuel franchises; regulating certain building alterations; providing remedies; amending Minnesota Statutes 1986, section 80C.146, subdivisions 2 and 3; repealing Laws 1984, chapter 444, section 4, as amended by Laws 1986, chapter 343, section 1.

Referred to the Committee on Commerce.

Messrs. Davis; Peterson, R. W.; Langseth; DeCramer and Stumpf introduced—

S.F. No. 1886: A bill for an act relating to transportation; authorizing issuance of bonds to establish a fund for loans to purchase highway rights-of-way outside the metropolitan area; providing for acquisition and relocation assistance in cases of hardship to owners of homestead property located in a proposed state highway right-of-way; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 161.

Referred to the Committee on Transportation.

Mr. Frank introduced—

S.F. No. 1887: A bill for an act relating to housing; requiring written disclosure of defects in residential housing before sale of that housing; providing for the form, delivery, and effect of disclosure; proposing coding for new law as Minnesota Statutes, chapter 327D.

Referred to the Committee on Economic Development and Housing.

Mr. Wegscheid introduced—

S.F. No. 1888: A bill for an act relating to state and local governments; extending the requirement that vendors be paid promptly for goods and services to cover providers of medical and social services; setting a deadline for the resolution of disputed obligations by municipalities; amending Minnesota Statutes 1986, sections 16A.124, subdivisions 1 and 5; and 471.425, subdivisions 1 and 4.

Referred to the Committee on Governmental Operations.

Messrs. Marty and Luther introduced—

S.F. No. 1889: A bill for an act relating to insurance; providing for waiver of the preexisting condition rule applicable to the Minnesota comprehensive health insurance plan under certain circumstances; amending Minnesota Statutes 1986, section 62E.14, subdivision 3; repealing Minnesota Statutes 1986, section 62E.14, subdivision 4.

Referred to the Committee on Commerce.

Messrs. Hughes, Stumpf, DeCramer, Mehrkens and Pehler introduced—

S.F. No. 1890: A bill for an act relating to education; providing for education district revenue, aid, and levy; proposing coding for new law in Minnesota Statutes, chapter 122.

Referred to the Committee on Education.

Messrs. Merriam, Dahl, Davis, Pehler and Mrs. McQuaid introduced—

S.F. No. 1891: A bill for an act relating to waste management; requiring certain buildings to provide space for recycling; changing the definition of recyclable materials; specifying the responsibilities of the legislative commission on waste management; adding containment of hazardous waste as an item for which the waste management board may make grants; making

industrial waste facilities eligible for processing facility loans; creating additional loan and grant programs for waste tire management; banning used oil from placement on the land; removing the county fee cap for waste disposal in the metropolitan area; adding the chair of the waste management board to the environmental quality board; repealing the expiration date of the legislative commission on waste management; appropriating money; amending Minnesota Statutes 1986, sections 16B.61, subdivision 5; 115A.03, subdivision 25a; 115A.14, subdivision 4; 115A.156, subdivision 3; 115A.165; 115A.912; 115A.919; 115B.17, by adding a subdivision; Minnesota Statutes 1987 Supplement, sections 16B.61, subdivision 3; 115A.156, subdivisions 1 and 2; 115A.162; 115A.48; 115A.916; 115A.95; and 116C.03, subdivision 2; Laws 1980, chapter 564, article XII, section 1, subdivision 3, as amended; Laws 1987, chapters 348, section 51, subdivision 1; and 404, section 24, subdivisions 4 and 6; proposing coding for new law in Minnesota Statutes, chapters 115A and 325E; repealing Minnesota Statutes 1986, sections 115A.14, subdivision 6; and 115A.90, subdivision 4; Minnesota Statutes 1987 Supplement, sections 115A.14, subdivision 5; 116.55; and 116M.07, subdivision 14.

Referred to the Committee on Environment and Natural Resources.

Ms. Reichgott and Mr. Luther introduced—

S.F. No. 1892: A bill for an act relating to corporations; making certain corrections to shareholder protection and corporate take-over legislation; eliminating restrictions on certain business combinations with an interested shareholder after five years; amending Minnesota Statutes 1986, section 80B.03, subdivisions 1 and 6; 302A.243; Minnesota Statutes 1987 Supplement, sections 302A.011, subdivisions 37, 41, 42, 46, 49, 50, and 51; 302A.553, subdivision 3; 302A.671, subdivisions 2, 3, 4, and 4a; and 302A.673.

Referred to the Committee on Judiciary.

Ms. Reichgott, Messrs. Pehler, Knaak, Hughes and Frederickson, D.J. introduced—

S.F. No. 1893: A bill for an act relating to education; requiring a state board of education rule on elementary school preparation time.

Referred to the Committee on Education.

Mr. Metzen introduced—

S.F. No. 1894: A bill for an act relating to taxation; providing for payment of tax increments attributable to referendum levy increases to special school district No. 6, South St. Paul.

Referred to the Committee on Economic Development and Housing.

Mr. Wegscheid introduced—

S.F. No. 1895: A bill for an act relating to credit unions; creating a credit union supervisory board to supervise and regulate credit unions; authorizing the appointment of a commissioner of credit unions; transferring the supervision of credit unions from the commissioner of commerce to the commissioner of credit unions; prescribing the commissioner's powers and duties; amending Minnesota Statutes 1986, sections 46.01, subdivision 1;

46.04, subdivision 1; 46.05; 46.07, subdivision 2; 46.09, subdivisions 1 and 2; 46.131, subdivisions 2 and 8; 46.23, subdivision 4; 52.01; 52.02, subdivision 3; 52.03, subdivision 3; 52.04, subdivision 1; 52.06, subdivisions 1 and 2; 52.061; 52.062, subdivisions 1, 2, and 3; 52.063; 52.064, subdivisions 1 and 2; 52.08; 52.09, subdivision 2; 52.141; 52.15, subdivision 2; 52.165, subdivision 2; 52.17, subdivisions 1 and 2; 52.20, subdivisions 1, 2, 4, 5, and 6; 52.201; 52.203; 52.21; 52.24, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 52.

Referred to the Committee on Commerce.

Mr. Peterson, R.W. introduced—

S.F. No. 1896: A bill for an act relating to juries; amending the jury selection process; requiring jury commissioners to devise a jury administration plan; providing that voter registration and drivers' license lists serve as source lists for selection of jurors; providing for term of and availability for jury service; providing that misconduct of an officer in charge of a jury is a misdemeanor; amending Minnesota Statutes 1986, sections 593.19; 593.21; 593.31; 593.32; 593.33, subdivisions 1, 2, 3, 4, 6, 8, and by adding subdivisions; 593.35; 593.36; 593.37; 593.40, subdivisions 1, 4, 5, and by adding subdivisions; 593.41; 593.45, subdivisions 1 and 2; 593.46; and 593.47, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 593; repealing Minnesota Statutes 1986, sections 593.01; 593.02; 593.08; 593.131; 593.135; 593.16; 593.33, subdivision 7; 593.34; 593.38; 593.39; 593.40, subdivisions 2 and 3; 593.42; 593.43; 593.44; 593.45, subdivision 3; and 593.49.

Referred to the Committee on Judiciary.

Mr. Diessner introduced—

S.F. No. 1897: A bill for an act relating to watershed districts; setting the limit on certain borrowing authority; amending Minnesota Statutes 1987 Supplement, section 112.43, subdivision 1.

Referred to the Committee on Agriculture.

Messrs. Hughes, Langseth, Ms. Reichgott, Messrs. Pehler and Ramstad introduced—

S.F. No. 1898: A bill for an act relating to education; authorizing health and wellness education program planning; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 126.

Referred to the Committee on Education.

Mr. Frank introduced—

S.F. No. 1899: A bill for an act relating to education; appropriating money for a grant to independent school district Nos. 13, 14, 16, and 282.

Referred to the Committee on Education.

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

S.F. No. 1900: A bill for an act relating to the metropolitan airports commission; setting the borrowing authority of the commission; amending Minnesota Statutes 1986, section 473.667, subdivision 2.

Referred to the Committee on Local and Urban Government.

Ms. Berglin, Messrs. Brandl, Freeman, Ms. Piper and Mr. Storm introduced—

S.F. No. 1901: A bill for an act relating to the apportionment of public assistance collection proceeds; amending Minnesota Statutes 1986, section 256.863.

Referred to the Committee on Health and Human Services.

Messrs. Marty, Jude, Pehler and Dahl introduced—

S.F. No. 1902: A bill for an act relating to environment; establishing a comprehensive solid waste reduction and recycling program through county programs, a waste reduction initiative fee on containers, a recycling deposit on beverage packages, and public education; appropriating money; proposing coding for new law in chapter 115A.

Referred to the Committee on Environment and Natural Resources.

Mses. Reichgott and Olson introduced—

S.F. No. 1903: A bill for an act relating to education; proposing initiatives in testing, teaching, student and teacher choice, and school based management; appropriating money; amending Minnesota Statutes 1986, sections 121.11, subdivision 8; 121.165; 123.3514, subdivisions 2, 3, and 4; 123.39, by adding a subdivision; 123.58, subdivision 8; 124A.036, by adding a subdivision; 125.185, by adding subdivisions; and 126.70, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 120; 121; 125; and 126.

Referred to the Committee on Education.

Ms. Piper, Messrs. Brandl, Vickerman and Ms. Berglin introduced—

S.F. No. 1904: A bill for an act relating to health; requiring a review organization to report certain information to the board of medical examiners; exempting certain disciplinary actions from publication; expanding the grounds for disciplinary action; providing for temporary permit to practice physical therapy; allowing dissemination of data to other states; amending Minnesota Statutes 1986, sections 145.64; 147.02, subdivision 6; 147.091, subdivision 1; 148.71; 214.10, subdivision 8; and proposing coding for new law in Minnesota Statutes, chapter 145.

Referred to the Committee on Health and Human Services.

Mrs. McQuaid, Messrs. Decker, Renneke, Johnson, D.E. and Laidig introduced—

S.F. No. 1905: A bill for an act relating to taxation; property tax refunds; restoring the full amount for 1986 claims plus ten percent; removing the appropriation limit for 1987 claims; appropriating money; repealing Laws 1987, chapter 268, article 3, section 12.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Decker; Belanger; Renneke; Johnson, D.E. and Anderson introduced—

S.F No. 1906: A bill for an act relating to taxation; income; allowing a subtraction for distributions of previously taxed employee contributions to governmental pension plans; amending Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19b.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Luther; Marty; Moe, D.M. and Ramstad introduced—

S.F No. 1907: A bill for an act relating to the statutes; directing the revisor of statutes to assign chapter numbers to enrollments and publish bills in Laws of Minnesota in the chapter number order; providing for showing on enrollments and publications of the time of final enactment of bills; maintaining existing law on determination of final enactment despite the change in the method of numbering chapters of enrollments and publications; amending Minnesota Statutes 1986, sections 3.19; 3C.04, subdivision 5; 3C.06, subdivision 1; and 645.01; proposing coding for new law in Minnesota Statutes, chapter 4.

Referred to the Committee on Judiciary.

Mr. Benson introduced—

S.F No. 1908: A bill for an act relating to motor vehicles; extending time for dealers to transfer motor vehicle title certificate; amending Minnesota Statutes 1986, section 168A.04, subdivision 2.

Referred to the Committee on Transportation.

Mrs. Adkins, Messrs. Schmitz; Johnson, D.E. and Frederick introduced—

S.F No. 1909: A bill for an act relating to transportation; requiring railroad companies to provide a minimum number of personnel when operating certain trains; providing a penalty; proposing coding for new law in Minnesota Statutes, chapter 219.

Referred to the Committee on Transportation.

Messrs. Wegscheid and Solon introduced—

S.F No. 1910: A bill for an act relating to workers' compensation; allowing group self-insurers to pay benefits and administrative expenses in the same manner as corporate self-insurers; amending Minnesota Statutes 1986, section 176.181, subdivision 2.

Referred to the Committee on Employment.

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

S.F No. 1911: A bill for an act relating to education; modifying provisions related to general education revenue and foundation revenue; correcting erroneous and obsolete references and text; providing instructions to the revisor; making miscellaneous corrections to statutes and other laws; amending Minnesota Statutes 1986, sections 3.866; 120.17, subdivisions 6 and 7; 120.181; 120.80, subdivision 1; 121.151; 121.904, subdivision 5; 121.931,

subdivision 5; 122.45, subdivision 3a; 122.531, subdivisions 1 and 6; 123.32, subdivision 29; 123.3514, subdivision 6; 123.933, subdivision 3; 124.15, subdivisions 5 and 6; 124.18, subdivision 2; 124.19, subdivisions 1, 3, and 6; 124.214, subdivision 2; 124.274, subdivision 1; 124.32, subdivisions 4 and 6; 124A.02, subdivision 21; 124A.03, subdivision 2; 124A.034, subdivisions 1 and 1b; 124A.035, subdivisions 2 and 4; 124A.036, subdivisions 1 and 2; 126.70, subdivision 2; 129B.40, subdivision 1; 273.138, subdivision 6; 275.125, subdivision 1; 275.128; 298.39; and 475.61, subdivision 4; Minnesota Statutes 1987 Supplement, sections 120.17, subdivisions 5a and 7a; 121.912, subdivision 1; 123.3515, subdivision 9; 124.01, subdivision 1; 124.14, subdivision 7; 124.155, subdivision 2; 124.17, subdivisions 1 and 1b; 124.195, subdivisions 8 and 9; 124.214, subdivision 3; 124.217, subdivision 1; 124.223; 124.225, subdivisions 1 and 4b; 124.245, subdivision 3b; 124.271, subdivision 7; 124.2711, subdivision 1; 124.32, subdivisions 1c, 1d, and 5; 124A.02, subdivisions 8 and 16; 124A.032; 124A.035; subdivision 5; 124A.22, subdivision 1, and by adding subdivisions; 124A.23, subdivisions 2, 3, 4, and by adding a subdivision; 124A.24; 124A.26, subdivision 2; 124A.27, subdivisions 7 and 10; 124A.30; 126.23; 126.661, subdivision 1; 126.666, subdivision 1; 126.70, subdivision 2a; 129B.39; 129B.55, subdivision 2; 136D.27; 136D.74, subdivision 2; 136D.87; 275.125, subdivisions 5e, 6e, 8c, 9, 9b, and 15; and 298.28, subdivision 4; Laws 1987, chapter 398, article 1, section 25, subdivision 3; article 1, section 26, subdivision 2; article 7, section 40, subdivision 4; article 8, section 39, subdivision 2; and article 8, section 44, subdivision 5; repealing Minnesota Statutes 1986, sections 121.904, subdivision 7; 122.531, subdivision 8; 124.245, subdivision 4; and 124A.031, subdivision 3; Minnesota Statutes 1987 Supplement, sections 121.904, subdivision 11b; 124A.02, subdivision 5a; 124A.03, subdivision 3a; and 124A.25.

Referred to the Committee on Education.

Messrs. Freeman, Marty, Samuelson, Pogemiller and Renneke introduced—

S.F. No. 1912: A bill for an act relating to health and human services; requiring the commissioner of health to implement an infant formula rebate system for the W.I.C. program; requiring written materials provided to clients under programs administered or supervised by the departments of human services, health, and jobs and training to be in plain language and readable at the seventh-grade level; establishing a local income assistance grant program to increase the use of food stamps by homeless individuals; appropriating money; amending Minnesota Statutes 1986, section 145.894; proposing coding for new law in Minnesota Statutes, chapters 144, 256, and 268.

Referred to the Committee on Health and Human Services.

Ms. Peterson, D.C. introduced—

S.F. No. 1913: A bill for an act relating to education; requiring the signing of an education statement; raising the age for compulsory school attendance to 18 for the 2000-2001 school year and years thereafter; making conforming changes; amending Minnesota Statutes 1986, sections 123.35, subdivision 8; and 260.015, subdivision 19; Minnesota Statutes 1987 Supplement, sections 120.101, subdivisions 5 and 9; and 124.26, subdivision 1b.

Referred to the Committee on Education.

Ms. Peterson, D.C. introduced—

S.F. No. 1914: A bill for an act relating to education; appropriating money for project head start programs to expand services to children from low income families.

Referred to the Committee on Education.

Ms. Peterson, D.C. introduced—

S.F. No. 1915: A bill for an act relating to education; reinstating pre-practicum and practicum experiences for programs for licensure in early childhood special education; repealing Laws 1984, chapter 463, article 7, section 45.

Referred to the Committee on Education.

Messrs. Stumpf; Frederickson, D.R.; Johnson, D.J.; Lessard and Wegscheid introduced—

S.F. No. 1916: A bill for an act relating to game and fish; requiring the adoption of rules under Minnesota Statutes, chapter 14, to designate muskellunge waters; amending Minnesota Statutes 1986, section 97C.011.

Referred to the Committee on Environment and Natural Resources.

Messrs. Benson; Storm; Bernhagen; Johnson, D.E. and Frederick introduced—

S.F. No. 1917: A bill for an act relating to taxation; repealing a contingent tax increase provision; repealing Laws 1987, chapter 268, article 18, section 5.

Referred to the Committee on Taxes and Tax Laws.

Mrs. Lantry introduced—

S.F. No. 1918: A bill for an act relating to health; creating an exception to the nursing home moratorium to allow beds to be moved from a separate nursing home to a building formerly used as a hospital; amending Minnesota Statutes 1987 Supplement, section 144A.071, subdivision 3.

Referred to the Committee on Health and Human Services.

Messrs. DeCramer and Stumpf introduced—

S.F. No. 1919: A bill for an act relating to water resources; recodifying and clarifying water law; amending Minnesota Statutes 1986, sections 84.083, by adding subdivisions; 645.44, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 83A and 106A; proposing coding for new law as Minnesota Statutes, chapters 105A; 105B; 105C; and 105D; repealing Minnesota Statutes 1986, sections 84.031; 84.032; 84.158; 110.13 to 110.53; 110B.01; 110B.04; 110B.08; 110B.10; 110B.12; 110B.15; 110B.20; 110B.22; 110B.25; 110B.28; 110B.30; 111.65 to 111.82; 114.12; 114.13; 114B.01 to 114B.07; 116C.41; 378.01; 378.02; 378.03; 378.04; 378.05; 378.06; 378.08; 378.09; 378.20; 378.21; 378.31; 378.32; 378.321; 378.33; 378.34; 378.35; 378.401; 378.405; 378.41; 378.42; 378.44; 378.45; 378.455; 378.46; 378.47; 378.51; 378.52; 378.53; 378.54; 378.545; 378.55; 378.56; 465.18; 465.26; 473.876, subdivisions 1, 2, 3,

4, 5, 6, 7, 8, and 9; 473.877, subdivisions 1 and 3; 473.8771, subdivision 3; 473.878, subdivisions 1, 1a, 2, 3a, and 4; 473.879; 473.881; 473.882; and 473.883; Minnesota Statutes 1987 Supplement, sections 105.37 to 105.81; 110B.02; 110B.35; 378.22; 378.43; 473.875; 473.876, subdivisions 1a, 2a, and 2b; 473.877, subdivision 2; 473.8771, subdivisions 1 and 2; 473.878, subdivisions 3, 5, 6, 7, 8, and 9; and 473.8785.

Referred to the Committee on Agriculture.

Mr. Spear introduced—

S.F. No. 1920: A bill for an act relating to state lands; requiring corrective deed to be issued to Basilica of St. Mary of Minneapolis for state lands authorized to be conveyed to Basilica of St. Mary's, Inc.

Referred to the Committee on Transportation.

Ms. Berglin and Mr. Luther introduced—

S.F. No. 1921: A bill for an act relating to marriage dissolution; clarifying and modifying provisions relating to pension plan rights in marriage dissolutions; amending Minnesota Statutes 1986, section 518.54, by adding a subdivision; amending Minnesota Statutes 1987 Supplement, sections 356.80; 518.54, subdivision 10; 518.58, subdivision 2; and 518.581, subdivision 4.

Referred to the Committee on Judiciary.

Mr. Spear introduced—

S.F. No. 1922: A bill for an act relating to anatomical gifts; adopting the 1987 uniform anatomical gift act; making conforming amendments; providing penalties; amending Minnesota Statutes 1986, sections 65B.44, subdivision 4; 171.07, subdivision 5; and 390.36; proposing coding for new law in Minnesota Statutes, chapter 525; repealing Minnesota Statutes 1986, sections 525.921 to 525.93.

Referred to the Committee on Judiciary.

Mrs. McQuaid, Messrs. Johnson, D.E. and Ramstad introduced—

S.F. No. 1923: A bill for an act relating to state agencies; returning the control of the Minnesota veterans home to the department of veterans affairs.

Referred to the Committee on Veterans.

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

S.F. No. 1924: A bill for an act relating to commerce; prohibiting exclusion or modification of implied warranties of fitness and merchantability by sellers and installers of home heating systems; prohibiting limitation of damages or remedies for breach of an implied warranty in a contract for sale or installation of a home heating system; proposing coding for new law in Minnesota Statutes, chapter 325F.

Referred to the Committee on Commerce.

Messrs. Marty and Luther introduced—

S.F. No. 1925: A bill for an act relating to insurance; regulating insurance information collection, use, disclosure, access, and correction practices; requiring reasons for adverse underwriting decisions and limiting the use thereof; providing penalties and individual remedies; proposing coding for new law in Minnesota Statutes, chapter 60A.

Referred to the Committee on Commerce.

Mr. Dicklich introduced—

S.F. No. 1926: A bill for an act relating to health maintenance organizations; requiring health maintenance organizations to demonstrate the ability to guarantee payments to providers in the event of discontinuation of the organization; requiring an escrow account to ensure payments to participating entities; requiring an annual public report on the financial health of each health maintenance organization and nonprofit health service plan; creating an interagency panel to hear appeals concerning disputes between health maintenance organizations and their participating entities; requiring prompt payments to participating entities; amending Minnesota Statutes 1986, sections 62D.041, subdivisions 3, 4, 5, 6, 7, and by adding a subdivision; 62D.12, by adding a subdivision; and 62D.17, by adding a subdivision; Minnesota Statutes 1987 Supplement, section 62D.04, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 62D.

Referred to the Committee on Health and Human Services.

Messrs. Morse, Novak, Marty and Dahl introduced—

S.F. No. 1927: A bill for an act relating to health; requiring certification of certain environmental laboratories; establishing an environmental laboratory certification account in the state treasury; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 144.

Referred to the Committee on Environment and Natural Resources.

Messrs. Morse, Novak and Jude introduced—

S.F. No. 1928: A bill for an act relating to health; establishing a safe drinking water account; prohibiting the use of certain lead pipe and pipe fittings; appropriating money; amending Minnesota Statutes 1986, sections 144.382, subdivision 1, and by adding a subdivision; 326.371; proposing coding for new law in Minnesota Statutes, chapter 144; repealing Minnesota Statutes 1986, section 144.388.

Referred to the Committee on Health and Human Services.

Mr. Bertram introduced—

S.F. No. 1929: A bill for an act relating to education; approving a capital loan; directing the commissioner of finance to issue bonds to make the loan to independent school district No. 738, Holdingford.

Referred to the Committee on Education.

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

S.F. No. 1930: A bill for an act relating to state and local government; establishing the Minnesota advisory commission on intergovernmental relations; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 15B.

Referred to the Committee on Governmental Operations.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Monday, February 22, 1988. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

SIXTIETH DAY

St. Paul, Minnesota, Monday, February 22, 1988

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

CALL OF THE SENATE

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

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

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

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

The President declared a quorum present.

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

MEMBERS EXCUSED

Messrs. Beckman, Frederick, Hughes and Samuelson were excused from the Session of today.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communication was received.

February 17, 1988

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

It is my pleasure to enclose herewith the names of notaries public in the

State of Minnesota.

Pursuant to the provisions of Article V, Section 3, of the Minnesota Constitution, I hereby appoint those individuals as notaries public, and hereby request the advice and consent of the Senate in those appointments.

Sincerely,
Rudy Perpich, Governor

Mr. Moe, R.D. moved that the appointments of notaries public be laid on the table. The motion prevailed.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 1773.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted February 18, 1988

FIRST READING OF HOUSE BILLS

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

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

Referred to the Committee on Judiciary.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of the reports on S.F. No. 1814 and Senate Resolution No. 102. The motion prevailed.

Mr. Pehler from the Committee on Education, to which was referred

S.F. No. 663: A bill for an act relating to education; establishing a school district reorganization task force.

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

Delete everything after the enacting clause and insert:

“Section 1. [COMMISSION ON EDUCATION REORGANIZATION.]

Subdivision 1. [ESTABLISHED.] There is established a commission on education reorganization that is composed of 21 members.

Subd. 2. [MEMBERSHIP.] The state board of education shall appoint 15 members. These members must represent elementary and secondary education, various sizes of school districts, and various geographical areas of the state.

The state board shall appoint one member, from three names submitted by each group, from each of the following groups:

- (1) state board of education;*
- (2) state curriculum advisory committee;*
- (3) Minnesota school boards association;*
- (4) association of stable or growing school districts;*
- (5) association of metropolitan school districts;*
- (6) Minnesota rural education association;*
- (7) Minnesota community education association;*
- (8) Minnesota association of school administrators;*
- (9) Minnesota association of secondary school principals;*
- (10) Minnesota elementary school principals' association;*
- (11) Minnesota education association;*
- (12) Minnesota federation of teachers;*
- (13) Minnesota congress of parents, teachers, and students;*
- (14) Independent school districts Nos. 11 and 625 and special school district No. 1; and*
- (15) the business community.*

In addition, six members of the legislature shall be appointed to the commission. The subcommittee on committees of the committee on rules and administration of the senate shall appoint three members of the senate education committee. The speaker of the house shall appoint three members of the house education committee.

The commissioner of education, or a designee, shall be an ex officio member of the commission and shall convene the first meeting of the commission by May 1, 1988.

The commission members shall elect the chair of the commission.

Subd. 3. [ITEMS FOR CONSIDERATION.] In considering education reorganization, the commission shall consider and make findings about the following:

- (a) learning opportunities for learners, including, but not limited to:*
 - (1) minimum and maximum curricular offerings;*
 - (2) alternatives to traditional instructional time or learning year;*
 - (3) state board of education rules;*
 - (4) learning and teaching options; and*
 - (5) community education and its implications;*
- (b) financial considerations, including, but not limited to:*

- (1) *funding and tax equity;*
- (2) *implications for employees, including salaries, fringe benefits, and collective bargaining;*
- (3) *facility needs, uses, and alternatives, including construction of duplicative facilities by adjacent districts; and*
- (4) *community education and its implications;*
- (c) *alternative patterns of reorganization, including, but not limited to:*
 - (1) *various management organizational structures;*
 - (2) *technology use;*
 - (3) *incentives to reorganize;*
 - (4) *research on education organization; and*
 - (5) *community education and its implications.*

Subd. 4. [SUBCOMMITTEES.] The commission shall appoint at least two subcommittees. One subcommittee shall address curriculum and learning opportunities. One subcommittee shall address organizational structures and finance. The members of both subcommittees shall be representative of elementary and secondary education, various sizes of school districts, and various geographical areas of the state.

Subd. 5. [EXPENSES AND EXPIRATION.] The commission shall be governed by Minnesota Statutes, section 15.059, subdivision 6.

Subd. 6. [STAFF ASSISTANCE.] The education committees of the legislature and the department of education shall provide staff assistance to the commission and subcommittees.

Subd. 7. [FINDINGS.] The commission shall report its findings to the state board of education by January 1, 1989, and to the education committees of the legislature by February 1, 1989."

Delete the title and insert:

"A bill for an act relating to education; establishing a commission on education reorganization."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 1623: A bill for an act relating to natural resources; designating the white-tailed deer as the official state mammal; proposing coding for new law in Minnesota Statutes, chapter 1.

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

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 1591: A bill for an act relating to state finances; providing for the cancellation of combined sewer overflow loan repayments to the state by the city of Minneapolis upon certain conditions.

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

Page 1, line 9, delete "*Subdivision 1.*"

Page 1, delete lines 16 to 20

Amend the title as follows:

Page 1, line 2, delete "providing for the"

Page 1, delete lines 3 to 5 and insert "authorizing the city of Minneapolis to issue bonds for the Great River Road project."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Dicklich from the Committee on Public Utilities and Energy, to which was referred

S.F. No. 1737: A bill for an act relating to energy; requiring repairs or inspections of furnaces to include inspection for leaks of noxious gases or provide notice that this type of inspection was not conducted; amending Minnesota Statutes 1986, sections 325F.19, by adding subdivisions; and 325F.23, by adding a subdivision.

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

Delete everything after the enacting clause and insert:

"Section 1. [325F.241] [FURNACE SAFETY.]

Subdivision 1. [DEFINITION.] For the purpose of this section "furnace" means a hot air heating system or a hot water boiler system which is operated with natural gas or propane.

Subd. 2. [SAFETY TEST.] A person who, for a charge, repairs or inspects a furnace in a residential dwelling that contains less than five units, shall, at the time of the repair or inspection, also conduct a safety test for the existence of carbon monoxide in the flue gases of the furnace, or provide a notice to the owner of the furnace as required under subdivision 3. If carbon monoxide is found in the furnace flue gases and the dwelling has a hot air heating system, an additional safety test must be conducted for the existence of carbon monoxide in the household air stream.

Subd. 3. [NOTICE.] If the person does not conduct the safety tests as required under subdivision 2, the person must notify the owner of the furnace that the repair or inspection conducted did not include safety tests for the existence of carbon monoxide. The notice required by this subdivision must be given at the time the repair or inspection takes place and be included in writing with the bill for services rendered. The written notice must state "THE REPAIR OR INSPECTION OF YOUR FURNACE DID NOT INCLUDE SAFETY TESTS FOR THE EXISTENCE OF CARBON MONOXIDE."

Delete the title and insert:

"A bill for an act relating to energy; requiring repairs or inspections of furnaces to include safety tests for the existence of carbon monoxide or provide notice that safety tests were not conducted; proposing coding for new law in Minnesota Statutes, chapter 325F"

And when so amended the bill do pass and be re-referred to the Committee on Commerce. Amendments adopted. Report adopted.

Mr. Dicklich from the Committee on Public Utilities and Energy, to which was referred

S.F. No. 1809: A bill for an act relating to communication-impaired persons; requiring the commissioner of human services to provide assistance in implementing the program that provides telephones to communication-impaired persons; making other technical changes in the program; amending Minnesota Statutes 1987 Supplement, sections 237.50, subdivision 4; 237.51, subdivision 5; 237.52, subdivision 5, and by adding a subdivision; and 237.53, subdivisions 3, 4, 6, and 7; repealing Minnesota Statutes 1987 Supplement, section 237.53, subdivision 8.

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

Page 2, line 17, strike the second "and" and insert "*Notwithstanding any provision of chapter 16B, the board shall*"

Page 2, line 26, delete "*reasonable*"

Page 2, lines 28 and 29, delete the new language and reinstate the stricken language

Page 3, line 35, after "devices" insert "*until the warranty period expires,*"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

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

S.F. No. 1814: A bill for an act relating to judges; providing for the manner of filling vacancies in the office of judge; proposing coding for new law as Minnesota Statutes, chapter 480B.

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

Delete everything after the enacting clause and insert:

"Section 1. [480B.01] [COMMISSION ON JUDICIAL SELECTION.]

Subdivision 1. [JUDICIAL VACANCIES.] When a judge of the court of appeals or district court dies, resigns, retires, or is removed during the judge's term of office, the resulting vacancy must be filled by the governor in the manner provided in this section.

Subd. 2. [COMMISSION ESTABLISHED; MEMBERS.] A commission on judicial selection is established. It is composed of permanent members chosen as follows:

(a) The governor shall appoint seven at-large members to the commission who serve at the pleasure of the governor. The governor shall appoint one of these members as chair of the commission. The chair may but does not have to be an attorney. The governor may appoint attorneys to fill no more than three of the remaining six member positions.

(b) A majority of the justices of the supreme court shall appoint two at-large members to the commission to serve four-year terms, ending on the same day the governor's term of office ends. The justices of the supreme

court may appoint attorneys to fill no more than one of the two member positions.

(c) The governor shall appoint two district members to the commission in each judicial district who serve at the pleasure of the governor. The governor may appoint an attorney to fill no more than one of the member positions.

(d) The chief judge in each judicial district shall appoint two district members to the commission from the district to serve four-year terms, ending on the same day the governor's term of office ends. The chief judge may appoint an attorney to fill no more than one of the member positions.

(e) The appointing authorities shall ensure that the permanent members of the commission include women and minorities.

Subd. 3. [PARTICIPATION IN MEETINGS.] Individuals appointed as district members under subdivision 2, paragraphs (c) and (d), may participate in commission meetings and deliberations only when the commission is considering applicants to fill a vacancy on the district court in the judicial district from which those individuals were appointed.

Subd. 4. [VACANCIES.] If a vacancy occurs on the commission by reason of the death or resignation of any member or by the removal of a member appointed under subdivision 2, paragraphs (a) to (d), the appointing or electing authority shall appoint or elect an individual to fill the vacancy for the rest of the unexpired term.

Subd. 5. [QUORUM.] A quorum of the commission is nine members when considering district court vacancies and seven members when considering court of appeal vacancies.

Subd. 6. [TEMPORARY INELIGIBILITY FOR VACANCY.] All members of the commission who would otherwise be eligible to hold judicial office must not be considered or appointed to fill any judicial vacancy while they are members of the commission or for one year following the end of their membership on the commission.

Subd. 7. [RECRUITMENT PROCESS.] No later than 60 days after the appointment of all of the at-large and district commission members, the commission shall prepare and make available to the public and file with the clerk of the court of appeals and the secretary of state an outline of the process the commission will follow in recruiting and evaluating candidates to fill judicial vacancies. The commission shall actively seek out and encourage qualified individuals to apply for judicial offices with particular emphasis on women and minorities.

Subd. 8. [CANDIDATE EVALUATION.] The commission shall evaluate the extent to which candidates possess the following qualifications for judicial office: integrity, maturity, health, judicial temperament, diligence, legal knowledge, ability and experience, and community service. The commission shall give consideration to women and minorities. If the vacancy has occurred or will occur in the district court, the commission shall solicit, in writing, recommendations from attorney associations in the judicial district and from those organizations that represent minority or women attorneys in the judicial district who have requested solicitation where the vacancy has occurred or will occur.

Subd. 9. [COMMISSION MEETINGS; NOTICE; TIME.] Within ten days after a judicial vacancy occurs or after the governor has been notified

that a vacancy will occur on a specified date, the governor shall notify the chair of the commission on judicial selection. The chair shall notify the appropriate at-large and district members of the commission that a vacancy has occurred or is anticipated and shall call a meeting of the commission to consider the candidates for the vacancy. The meeting shall be held not less than 30 days nor more than 42 days after the governor provides notification of the vacancy.

Subd. 10. [NOTICE TO THE PUBLIC.] Upon receiving notice from the governor that a judicial vacancy has occurred or will occur at a definite future date, the chair shall provide notice of the following information:

- (1) the office that is or will be vacant;*
- (2) that applications from qualified persons or on behalf of qualified persons are being accepted by the commission;*
- (3) that application forms may be obtained from the governor or the commission at a specified address; and*
- (4) that application forms must be returned to the commission by a specified date, which shall be three days before the first meeting of the commission called by the chair to consider candidates.*

If the vacancy has occurred or will occur on the court of appeals, the notice must be made available to attorney associations in each judicial district and to at least one newspaper of general circulation in each county in the state. If the vacancy has occurred or will occur in the district court, the notice must be made available to attorney associations in the judicial district where the vacancy has occurred or will occur and to at least one newspaper of general circulation in each county in the district.

Subd. 11. [NOMINEES TO GOVERNOR.] Within 30 days after the first meeting of the commission to consider candidates, the committee shall recommend to the governor no fewer than three and no more than five nominees for each judicial vacancy. The nominees must be submitted in alphabetical order. The list of nominees must identify nominees as having consented to nomination rather than having applied. The names of the nominees must be made public. The governor may fill the vacancy from the nominees recommended by the commission.

If the governor declines to select a nominee to fill the vacancy from the first list of nominees, the governor shall request a second list of nominees from the commission. If the governor declines to select a nominee to fill the vacancy from the second list, the governor may select a person to fill the vacancy without regard to the commission's recommendation.

Subd. 12. [COMMISSION MEETINGS AND DATA.] Meetings of the commission may be closed to discuss the candidates. Data maintained by the commission are personnel data under section 13.43. The commission shall file an annual tabulation with the governor of the number of applicants for judicial office and the age, sex, and race of applicants.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment for judicial vacancies occurring on and after June 1, 1988. The initial at-large members appointed by the justices of the supreme court and the initial district members appointed by the chief judges of the judicial districts must be appointed to terms ending on the first Sunday of January 1991."

And when so amended the bill do pass. Mr. Jude questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 1711: A bill for an act relating to Aitkin county; permitting the county to regulate certain public land interests by ordinance.

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

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 1715: A bill for an act relating to local government; providing conditions for certain county contracts; amending Minnesota Statutes 1986, section 471.345, by adding a subdivision.

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

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 1760: A bill for an act relating to local government; regulating duties of town officers; setting town powers; regulating town revenue and property valuation matters; amending Minnesota Statutes 1986, sections 18.272; 429.031, by adding a subdivision; 465.71; and 471.653; and Minnesota Statutes 1987 Supplement, sections 115A.921; and 273.061, subdivision 8; and repealing Minnesota Statutes 1986, section 365.03.

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

Page 2, line 5, before "may" insert "or city"

Page 2, line 8, after "town" insert "or city"

Page 5, delete section 4

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the second "town" insert "and city" and after the third "town" insert "and city"

Page 1, line 5, delete "429.031, by"

Page 1, line 6, delete "adding a subdivision;"

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

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 1688: A bill for an act relating to aeronautics; prohibiting the metropolitan airports commission from extending, expanding, or constructing runways at Airlake airport.

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

Page 1, delete lines 8 to 12 and insert:

"The metropolitan airports commission shall not use revenue from any source, as described in Minnesota Statutes, section 473.608, for construction to extend an existing runway at Airlake airport to a length in excess of 5,000 feet, or to expand or upgrade the use of Airlake airport from minor use to intermediate use status as defined by the metropolitan development guide, aviation chapter, adopted pursuant to Minnesota Statutes, section 473.145."

Amend the title as follows:

Page 1, line 3, delete ", expanding, or"

Page 1, line 4, delete "constructing" and after "at" insert "or expanding or upgrading the use of"

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

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 1588: A bill for an act relating to health; making technical modifications of the immunization law; amending Minnesota Statutes 1986, section 123.70, subdivisions 1, 2, 3, 4, 5, 7, 8, and 9.

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

Page 1, line 13, delete "*, nor matriculate into any post-secondary*" and strike "school"

Page 1, line 22, before the semicolon, insert "*, and which indicates the month, day, and year of each immunization received*"

Page 2, line 4, after "polio" insert "*, and which indicates the month, day, and year of each immunization received*"

Page 2, line 9, after the second comma, insert "or"

Page 2, line 10, delete "*, or post-secondary*"

Page 2, line 18, before the period, insert "*, and for which the month, day, and year of each additional immunization received is included on the statement*"

Page 2, delete lines 31 to 36

Page 3, line 1, reinstate the stricken "(c)" and delete "(e)"

Page 3, line 8, reinstate the stricken "(d)" and delete "(f)"

Page 3, line 18, reinstate the stricken "(e)" and delete "(g)"

Page 3, line 25, delete "*or matriculating into a post-secondary*"

Page 3, line 26, strike "school"

Page 3, line 30, after "month" insert "*, day,*"

Page 4, line 5, delete everything after "*minimum*"

Page 4, delete lines 6 to 10

Page 4, line 11, delete everything before the period

Page 5, line 14, reinstate the stricken "(c)" and delete "(e)" and reinstate the stricken "(d)" and delete "(f)"

Page 5, line 27, before "with" insert "*enrolled in the facility, the number of children*"

Page 5, line 28, delete "(e)" and insert "(c)" and delete "(f)" and insert "(d)"

Page 5, line 36, delete "*or post-secondary school*"

Page 6, line 6, delete everything after "*schools*"

Page 6, delete lines 7 to 9

Page 6, line 10, delete everything before the period

Page 6, line 12, delete everything after "*effective*" and insert "*January 1, 1989.*"

Page 6, delete lines 13 and 14

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

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 1628: A bill for an act relating to human services; revising and clarifying the duties and powers of the ombudsman for mental health and mental retardation; transferring money; amending Minnesota Statutes 1987 Supplement, sections 245.91, subdivisions 2, 3, and 4; 245.92; 245.94, subdivisions 1, 2, 3, and 4; 245.95, subdivision 1; 245.97, subdivision 1; 626.556, subdivisions 9 and 10; and 626.557, subdivision 9.

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

Page 3, line 13, after "*clients*" insert a comma

Page 3, line 15, after "*clients*" insert "*, other than clients in acute care facilities who are receiving services not paid for by public funds*"

And when so amended the bill do pass and be re-referred to the Committee on Judiciary. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 1676: A bill for an act relating to human services; expanding the definition of "qualified occupational therapist" for purposes of medical assistance reimbursement.

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

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 1617: A bill for an act relating to human services; creating a task force to study building code standards for family and group family day care homes; changing building code requirements concerning certain child care facilities; amending Minnesota Statutes 1987 Supplement, section 16B.61, subdivision 3.

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

Page 2, line 25, delete "*E, Division 3*" and insert "*R*"

Page 2, line 26, delete "*does not apply*" and insert "*applies*"

And when so amended the bill do pass and be re-referred to the Committee on Governmental Operations. Amendments adopted. Report adopted.

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

S.F. No. 1548: A bill for an act relating to agriculture; making legislative findings; defining terms; dedicating revenue attributable to short sales of agricultural commodities; authorizing rules; increasing federal adjusted gross income related to short sales of agricultural commodities; imposing a sales tax on the short sale of an agricultural commodity contract; providing commodity transaction violations and providing exemptions; defining terms; prohibiting certain commodity trading activities; prohibiting fraudulent conduct; prescribing liability of principals; authorizing investigations, subpoenas, and enforcement actions; prescribing remedies and criminal penalties; authorizing cooperation with other agencies; authorizing rules; prescribing a procedure for orders and judicial review of orders; requiring licenses for persons dealing in commodities; prescribing license fees; authorizing examinations; requiring an annual report; prescribing postlicensing requirements; authorizing inspections; prescribing conditions to suspend or revoke a license; prohibiting enforcement of short sales of agricultural commodities; amending Minnesota Statutes 1986, sections 290.01, subdivision 20a; 297A.01, subdivisions 3 and 4; and 297A.25, subdivision 2; proposing coding for new law as Minnesota Statutes, chapter 338.

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

Pages 1 and 2, delete section 1

Page 2, line 10, delete "*Sec. 2.*" and insert "*Section 1.*"

Page 2, line 12, delete "*2 and 3*" and insert "*1 and 2*"

Pages 2 to 8, delete sections 3 to 8 and insert:

"*Sec. 2. [17.47] [MARGIN REQUIREMENTS ON AGRICULTURAL COMMODITY IN SHORT SUPPLY.]*

Subdivision 1. [MARGIN REQUIRED.] A speculator who is a resident of this state or who places an order in this state for a short sale of a commodity contract of an agricultural commodity in oversupply under subdivision 2 must deposit a margin requirement that is 400 percent of the margin requirement for other short sales of commodity contracts.

Subd. 2. [COMMISSIONER'S DETERMINATION OF COMMODITIES

IN OVERSUPPLY.] *The commissioner of agriculture shall make a determination of commodities in oversupply based on national and international supply and demand. The commissioner must publish notice of a commodity in oversupply in the State Register and once published must also publish when the commodity is not in oversupply. The commissioner must notify persons who request to be on a mailing list of when the commissioner determines commodities to be in oversupply.*"

Page 33, delete section 31

Page 33, line 33, delete "32" and insert "31"

Page 33, line 34, delete "July 1, 1986" and insert "January 1, 1989"

Amend the title as follows:

Page 1, line 2, delete "making legislative findings;"

Page 1, line 3, delete everything after the semicolon

Page 1, delete lines 4 to 7

Page 1, line 8, delete "agricultural commodity contract" and insert "imposing margin requirements on an agricultural commodity in short supply"

Page 1, line 22, delete "prohibiting enforcement"

Page 1, delete lines 23 to 25

Page 1, line 26, delete "subdivision 2;"

Page 1, line 27, delete "chapter" and insert "chapters 17 and"

And when so amended the bill do pass and be re-referred to the Committee on Judiciary. Amendments adopted. Report adopted.

Mrs. Lantry from the Committee on General Legislation and Public Gaming, to which was referred

S.F. No. 1430: A bill for an act relating to public safety; establishing the fire safety cigarette act; prohibiting the sale of cigarettes and little cigars that do not meet certain standards for fire safety; proposing coding for new law in Minnesota Statutes, chapter 299F

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

Delete everything after the enacting clause and insert:

"Section 1. [299F47] [CITATION.]

Sections 1 to 4 may be cited as the "cigarette fire safety act."

Sec. 2. [299F48] [FINDINGS AND PURPOSE.]

The legislature finds and declares that fires ignited by cigarettes and little cigars cause unnecessary personal injuries and death and severe loss of property. The legislature also finds and declares that prohibiting the sale of cigarettes and little cigars that do not meet certain fire safety standards will reduce fires ignited by cigarettes and little cigars.

Sec. 3. [299F49] [DEFINITIONS.]

Subdivision 1. [SCOPE.] The terms used in sections 1 to 4 have the

meanings given them in this section.

Subd. 2. [CIGARETTE.] "Cigarette" means any roll of tobacco that may be used for smoking and:

(1) that is wrapped in paper or other substance not containing tobacco; or

(2) that is wrapped in any substance containing tobacco and that, because of its appearance, the type of tobacco used in the filler, or its packaging and labeling, is likely to be offered to, or purchased by, consumers as a cigarette; and

(3) the package of which is required to bear a surgeon general's warning pursuant to United States Code, title 15, section 1333.

Subd. 3. [LITTLE CIGAR.] "Little cigar" means a roll of tobacco that may be used for smoking, that is wrapped in leaf tobacco or any substance containing tobacco, and that has a weight of not more than three pounds for 1,000 units.

Sec. 4. [299E50] [CIGARETTE FIRE SAFETY STANDARDS.]

Subdivision 1. [SALE PROHIBITED.] Cigarettes and little cigars not meeting the fire safety standards adopted by the commissioner of public safety may not be sold in this state.

Subd. 2. [RULES; CRITERIA.] The commissioner of public safety shall adopt rules specifying fire safety standards for cigarettes and little cigars. The commissioner must adopt rules under this subdivision by July 1, 1990. The commissioner may use fire safety standards developed by the University of Minnesota under section 5. Any standard adopted by the commissioner under this subdivision may be reconsidered if a federal standard which has gone through inter-laboratory evaluation has been developed.

Subd. 3. [EXEMPTION.] A cigarette may be exempted from compliance with this standard if the manufacturer can demonstrate to the commissioner that it is technically not feasible to comply with the standard without exceeding the toxicity of existing commercially available cigarettes.

Sec. 5. [APPROPRIATION.]

\$. . . . is appropriated from the tobacco tax revenue fund to the board of regents of the University of Minnesota to develop fire safety standards for cigarettes and little cigars. The standards must be developed by January 1, 1990.

Sec. 6. [EFFECTIVE DATE.]

Sections 1 to 3, 4, subdivisions 2 and 3, and 5 are effective July 1, 1988. Section 4, subdivision 1, is effective July 1, 1991."

Amend the title as follows:

Page 1, line 2, after "the" insert "cigarette"

Page 1, line 3, delete "cigarette"

Page 1, line 5, after the semicolon, insert "appropriating money;"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

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

Senate Resolution No. 102: A Senate resolution memorializing the Commodity Futures Trading Commission to adopt rules to restrict speculative short sales and short sale orders of an agricultural commodity that is in oversupply.

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

Page 2, line 36, after "commodity" insert "in"

And when so amended the resolution do pass.

Mr. Moe, R.D. moved that Senate Resolution No. 102 be laid on the table. The motion prevailed.

SECOND READING OF SENATE BILLS

S.F. Nos. 1623, 1711, 1715, 1760, 1688 and 1588 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Solon moved that his name be stricken as chief author, shown as a co-author, and the name of Mr. Waldorf be added as chief author to S.F. No. 474. The motion prevailed.

Ms. Berglin moved that the name of Mr. Luther be added as a co-author to S.F. No. 1579. The motion prevailed.

Ms. Peterson, D.C. moved that the name of Mr. Stumpf be added as a co-author to S.F. No. 1736. The motion prevailed.

Ms. Peterson, D.C. moved that the name of Mr. Pogemiller be added as a co-author to S.F. No. 1738. The motion prevailed.

Mr. Storm moved that the name of Mr. Waldorf be added as a co-author to S.F. No. 1796. The motion prevailed.

Mr. Spear moved that the name of Mr. Pogemiller be added as a co-author to S.F. No. 1835. The motion prevailed.

Mr. Luther moved that the name of Mr. Freeman be added as a co-author to S.F. No. 1845. The motion prevailed.

Mrs. Lantry moved that the name of Mr. Frank be added as a co-author to S.F. No. 1857. The motion prevailed.

Mr. Marty moved that the name of Mr. Morse be added as a co-author to S.F. No. 1889. The motion prevailed.

Mr. Marty moved that the name of Mr. Merriam be added as a co-author to S.F. No. 1902. The motion prevailed.

Ms. Peterson, D.C. moved that the names of Messrs. Pogemiller, Dicklich, DeCramer and Merriam be added as co-authors to S.F. No. 1914. The motion prevailed.

Mr. Spear moved that the name of Ms. Piper be added as a co-author to S.F. No. 1922. The motion prevailed.

Mrs. McQuaid moved that the name of Mr. Larson be added as a co-author to S.F. No. 1923. The motion prevailed.

Mr. Vickerman moved that S.F. No. 1760 on General Orders be stricken and re-referred to the Committee on Taxes and Tax Laws. The motion prevailed.

Messrs. Moe, R.D.; Merriam; Ms. Reichgott, Messrs. Ramstad and Benson introduced—

Senate Concurrent Resolution No. 12: A Senate concurrent resolution declaring full support to the endeavors of the United States Soccer Federation to bring the 1994 World Cup to the United States.

WHEREAS, Soccer is one of the world's most popular sports and is the fastest growing team sport in the United States; and

WHEREAS, Soccer provides an excellent opportunity for our youth to develop physical fitness and athletic skills; and

WHEREAS, the United States Soccer Federation is an organization supporting and promoting Soccer at all levels; and

WHEREAS, the World Cup is held every four years and involves more than 140 countries; and

WHEREAS, the World Cup is a major sporting and tourism event and hosting the 1994 World Cup would focus world attention and interest on our nation; and

WHEREAS, the 1994 World Cup would greatly encourage the continued growth of Soccer in the United States; NOW, THEREFORE,

BE IT RESOLVED by the Senate of the State of Minnesota, the House of Representatives concurring, that it declares full support to the endeavors of the United States Soccer Federation to bring the 1994 World Cup to the United States.

BE IT FURTHER RESOLVED that the Secretary of the Senate is directed to prepare an enrolled copy of this resolution, to be authenticated by his signature and that of the Chairman of the Senate Rules and Administration Committee, the Chief Clerk of the House, and the Speaker of the House, and present it to the United States Soccer Federation.

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

Mr. Moe, R.D. moved that S.F. No. 1930 be withdrawn from the Committee on Governmental Operations and re-referred to the Committee on Local and Urban Government. The motion prevailed.

GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Chmielewski in the chair.

After some time spent therein, the committee arose, and Mr. Chmielewski reported that the committee had considered the following:

S.F. Nos. 1643 and 1574, which the committee recommends to pass.

S.F. No. 1594, which the committee reports progress, subject to the following motion:

Mrs. Lantry moved to amend S.F. No. 1594 as follows:

Page 5, after line 29, insert:

"Sec. 6. Minnesota Statutes 1987 Supplement, section 245A.11, subdivision 5, is amended to read:

Subd. 5. [OVERCONCENTRATION AND DISPERSAL.] (a) Before January 1, 1985, each county having two or more group residential programs within 1,320 feet of each other shall submit to the department of human services a plan to promote dispersal of group residential programs. In formulating its plan, the county shall solicit the participation of affected persons, programs, municipalities having highly concentrated residential program populations, and advocacy groups. For the purposes of this subdivision, "highly concentrated" means having a population in residential programs serving seven or more persons that exceeds one-half of one percent of the population of a recognized planning district or other administrative subdivision.

(b) Within 45 days after the county submits the plan, the commissioner shall certify whether the plan fulfills the purposes and requirements of this subdivision including the following requirements:

(1) a new program serving seven or more persons must not be located in any recognized planning district or other administrative subdivision where the population in residential programs is highly concentrated;

(2) the county plan must promote dispersal of highly concentrated residential program populations;

(3) the county plan shall promote the development of residential programs in areas that are not highly concentrated;

(4) no person in a residential program shall be displaced as a result of this section until a relocation plan has been implemented that provides for an acceptable alternative placement;

(5) if the plan provides for the relocation of residential programs, the relocation must be completed by January 1, 1990. If the commissioner certifies that the plan does not do so, the commissioner shall state the reasons, and the county has 30 days to submit a plan amended to comply with the requirements of the commissioner.

(c) After July 1, 1985, the commissioner may reduce grants under section 245.73 to a county required to have an approved plan under paragraph (a) if the county does not have a plan approved by the commissioner *or if the county acts in substantial disregard of its approved plan.* The county board has the right to be provided with advance notice and to appeal the commissioner's decision. If the county requests a hearing within 30 days of the notification of intent to reduce grants, the commissioner shall not certify any reduction in grants until a hearing is conducted and a decision made in accordance with the contested case provisions of chapter 14."

Page 7, line 12, delete "REPEAL" and insert "REPEALER"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 10, after "subdivision 1;" insert "245A.11, subdivision 5;"

The motion prevailed. So the amendment was adopted.

S.F. No. 1594 was then progressed.

On motion of Mr. Moe, R.D., the report of the Committee of the Whole, as kept by the Secretary, was adopted.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Mr. Frederick introduced—

S.F. No. 1931: A bill for an act relating to state lands; directing sale and conveyance of certain state-owned lands to the city of Owatonna.

Referred to the Committee on Environment and Natural Resources.

Mr. Frederick introduced—

S.F. No. 1932: A bill for an act relating to transportation; exempting private carriers from certain hazardous materials regulations; amending Minnesota Statutes 1986, section 221.033, subdivision 2.

Referred to the Committee on Transportation.

Messrs. Vickerman and Chmielewski introduced—

S.F. No. 1933: A bill for an act relating to human services; regarding rates for day training and habilitation services; amending Minnesota Statutes 1986, section 256B.501, by adding a subdivision; Minnesota Statutes 1987 Supplement, section 252.46, subdivision 6, and by adding subdivisions.

Referred to the Committee on Health and Human Services.

Messrs. Luther, Marty and Ramstad introduced—

S.F. No. 1934: A bill for an act relating to crimes; prohibiting possession of fireworks; increasing penalties for selling or possessing certain quantities of fireworks; providing penalties; amending Minnesota Statutes 1986, sections 624.21; 624.23; and 624.25.

Referred to the Committee on Judiciary.

Mr. Chmielewski introduced—

S.F. No. 1935: A bill for an act relating to health; requiring medical screening of former Conwed Corporation employees; authorizing the commissioner of health to contract with experts; requiring a report; appropriating money.

Referred to the Committee on Health and Human Services.

Mr. Davis introduced—

S.F. No. 1936: A bill for an act relating to agriculture; adding members to the state agricultural society; amending Minnesota Statutes 1986, section 37.03, subdivision 1.

Referred to the Committee on Agriculture.

Messrs. Freeman, Luther, Knaak and Pogemiller introduced—

S.F. No. 1937: A bill for an act relating to crimes; providing for seizure and forfeiture of property used in commission of crime, proceeds of crime, and contraband; creating a presumption that money, precious metals, and jewels found near controlled substances, and vehicles containing controlled substances, are subject to forfeiture; providing for administrative forfeiture of such property with opportunity for judicial determination; providing for summary forfeiture of contraband, certain controlled substances, weapons following a conviction, and certain plants; providing for forfeiture by judicial action of property and proceeds associated with controlled substance violations and designated offenses; eliminating the requirement that forfeiture actions be dismissed if no associated conviction results; providing that a conviction creates the presumption that after-acquired property constitutes forfeitable proceeds of the offense; eliminating the defense of an owner who negligently allowed the unlawful use of the owner's property; providing that the right to forfeitable property passes to law enforcement agencies upon commission of unlawful act; allowing seizure without process incident to a lawful search without a warrant and in other circumstances; allocating the proceeds of forfeitures to law enforcement agencies and county attorneys; amending Minnesota Statutes 1986, section 152.21, subdivision 6; 609.531, subdivisions 4, 5, and by adding subdivisions; Minnesota Statutes 1987 Supplement, section 609.531, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 609; repealing Minnesota Statutes 1986, sections 152.19; and 609.531, subdivisions 2, 3, and 6.

Referred to the Committee on Judiciary.

Mr. Purfeerst introduced—

S.F. No. 1938: A bill for an act relating to retirement; public employees retirement association; authorizing a certain retired member of the association, formerly employed by the Rochester school district, to elect to convert a certain joint and survivor annuity to a single life annuity.

Referred to the Committee on Governmental Operations.

Mr. Frederickson, D.J. introduced—

S.F. No. 1939: A bill for an act relating to corrections; making various housekeeping and technical changes; amending Minnesota Statutes 1986, sections 260.311, subdivisions 1, 2, 3, and 5; 401.01, subdivision 2; and 401.04.

Referred to the Committee on Governmental Operations.

Messrs. Solon and Gustafson introduced—

S.F. No. 1940: A bill for an act relating to transportation; excluding certain publically owned transit buses from certain definitions of school bus; amending Minnesota Statutes 1986, sections 169.01, subdivision 6; and 171.01, subdivision 21.

Referred to the Committee on Transportation.

Messrs. Lessard, Stumpf, Larson, Dahl and Merriam introduced—

S.F. No. 1941: A bill for an act relating to watercraft safety; requiring personal flotation or lifesaving devices on duckboats; amending Minnesota Statutes 1986, section 361.141, subdivision 1.

Referred to the Committee on Environment and Natural Resources.

Messrs. Jude, Ramstad, Ms. Reichgott, Messrs. Cohen and Freeman introduced—

S.F. No. 1942: A bill for an act relating to libraries; dedicating the Warren E. Burger Library chamber to the citizens of Minnesota; appropriating money.

Referred to the Committee on Education.

Messrs. Jude, Luther, Marty, Belanger and Merriam introduced—

S.F. No. 1943: A bill for an act relating to traffic regulations; requiring that peace officers who seek to administer an alcohol concentration test to a person under the implied consent law must provide additional information to the person under certain circumstances; amending Minnesota Statutes 1987 Supplement, section 169.123, subdivision 2.

Referred to the Committee on Judiciary.

Mr. Jude, Mrs. Adkins, Mr. Vickerman, Ms. Piper and Mr. Storm introduced—

S.F. No. 1944: A bill for an act relating to health; requiring hospitals to notify physicians and patients before destroying medical records; amending Minnesota Statutes 1986, section 145.32, by adding a subdivision.

Referred to the Committee on Judiciary.

Mr. Diessner introduced—

S.F. No. 1945: A bill for an act proposing an amendment to the Minnesota Constitution, article XIII, section 5; authorizing lotteries and the sale of lottery tickets under certain circumstances; providing for the expenditures of the net revenues for certain environmental purposes; proposing coding for new law in Minnesota Statutes, chapter 116D.

Referred to the Committee on General Legislation and Public Gaming.

Messrs. Benson; Storm; Frederickson, D.R.; Gustafson and Ms. Olson introduced—

S.F. No. 1946: A bill for an act relating to state agencies; returning the control of the Minnesota veterans home to the department of veterans affairs.

Referred to the Committee on Veterans.

Mr. Dicklich introduced—

S.F. No. 1947: A bill for an act relating to state lands; authorizing private sale of tax-forfeited land in St. Louis county.

Referred to the Committee on Environment and Natural Resources.

Mr. Dicklich introduced—

S.F. No. 1948: A bill for an act relating to drivers' licenses; allowing stepparent married to custodial parent of minor to approve minor's driver's license application; amending Minnesota Statutes 1986, section 171.04.

Referred to the Committee on Transportation.

Mr. Dicklich introduced—

S.F. No. 1949: A bill for an act relating to water; requiring certain mining company pumps to comply with applicable permit requirements.

Referred to the Committee on Environment and Natural Resources.

Messrs. Laidig, Frederick, Gustafson, Bernhagen and Knutson introduced—

S.F. No. 1950: A bill for an act relating to taxation; repealing the law providing for a contingent tax increase upon forecast of a revenue shortfall; repealing Laws 1987, chapter 268, article 18, section 5.

Referred to the Committee on Taxes and Tax Laws.

Mr. Taylor, Mrs. Brataas, Messrs. Mehrkens, Knutson and Decker introduced—

S.F. No. 1951: A bill for an act relating to state agencies; returning the control of the Minnesota veterans home to the department of veterans affairs.

Referred to the Committee on Veterans.

Messrs. Gustafson, Solon and Chmielewski introduced—

S.F. No. 1952: A bill for an act relating to environment; authorizing sanitary districts to apply for and receive assistance from the waste management board for certain solid waste programs; amending Minnesota Statutes 1986, section 115A.50; and Minnesota Statutes 1987 Supplement, section 115A.49.

Referred to the Committee on Environment and Natural Resources.

Mr. Dahl introduced—

S.F. No. 1953: A bill for an act relating to environment; eliminating the inventory of mixed municipal solid waste disposal sites; requiring the waste management board to develop a plan to provide incentives to volunteer sites; proposing coding for new law in Minnesota Statutes 1986, chapter 473; repealing Minnesota Statutes 1986, sections 473.803, subdivision 1a; and 473.806.

Referred to the Committee on Environment and Natural Resources.

Mr. Dahl introduced—

S.F. No. 1954: A bill for an act relating to natural resources; establishing a task force to review drainage law provisions; appropriating money.

Referred to the Committee on Agriculture.

Messrs. Novak and Knaak introduced—

S.F. No. 1955: A bill for an act relating to Ramsey county; authorizing the county to use certain land dedicated as open space for highway purposes.

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

Messrs. Peterson, R. W.; Wegscheid; Belanger; Metzen and Anderson introduced—

S.F. No. 1956: A bill for an act relating to financial institutions; savings and loan associations; defining terms; adding clarifying language; regulating incorporations; regulating mutual to stock conversions; providing for corporate governance of capital stock associations; regulating the powers of saving associations; regulating deposit accounts; regulating investments; regulating terms and conditions of loans, contracts, and extensions of credit; providing state-chartered savings associations the same rights and powers that may be exercised by a federal savings association doing business in Minnesota; amending Minnesota Statutes 1986, sections 51A.02; 51A.03, by adding a subdivision; 51A.041, subdivisions 1 and 4; 51A.05, subdivision 1, and by adding a subdivision; 51A.06, subdivision 3; 51A.065, subdivisions 1, 3, 4, 8, and by adding a subdivision; 51A.07; 51A.10; 51A.11, subdivision 1; 51A.12; 51A.13; 51A.15, subdivision 2; 51A.17; 51A.19, subdivisions 1, 8, and 10; 51A.21, subdivisions 1, 5, 7, 9, 14, 15, 17, 21, and by adding subdivisions; 51A.22, subdivision 2; 51A.251; 51A.261; 51A.262; 51A.28; 51A.31, subdivision 1; 51A.32; 51A.35; 51A.361; 51A.37, subdivisions 1, 2, 3, 4, and by adding subdivisions; 51A.38, subdivisions 1, 2, 3, 4, 5, 7, and 8; 51A.40; 51A.44, subdivision 1; 51A.48; 51A.50; 51A.51, subdivision 1; 51A.53; 51A.56; 118.005, subdivision 1; Minnesota Statutes 1987 Supplement, section 51A.23, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 51A; repealing Minnesota Statutes 1986, sections 51A.03, subdivision 2a; 51A.05, subdivisions 3, 4, and 5; 51A.091; 51A.11, subdivision 3; 51A.18; 51A.19, subdivisions 2 and 3; 51A.21, subdivision 6; 51A.23, subdivisions 2, 3, 4, and 5; 51A.37, subdivisions 7 and 9; 51A.38, subdivision 6; and 51A.39.

Referred to the Committee on Commerce.

Messrs. Brandl, DeCramer, Cohen, Stumpf and Gustafson introduced—

S.F. No. 1957: A bill for an act relating to taxation; changing property tax classifications; establishing equalization aids for municipalities and counties; modifying school aids and levies; providing state payment of income maintenance programs; changing property tax refund schedules; abolishing certain aids and credits; appropriating money; amending Minnesota Statutes 1986, sections 256.82, subdivision 1; 256.871, subdivision 6; 256.935, subdivision 1; 256B.041, subdivision 5; 256D.03, subdivision 6; 256D.36, subdivision 1; 273.13, by adding subdivisions; 273.40; 279.01, as amended; 290A.03, by adding subdivisions; 290A.23; 477A.011, subdivisions 11, 13, and by adding subdivisions; and 477A.012, by adding a

subdivision; Minnesota Statutes 1987 Supplement, sections 124.155, subdivision 2; 124.2131, subdivision 1; 256B.091, subdivision 8; 256B.19, subdivision 1; 256D.03, subdivision 2; 256D.37, subdivision 1; 256G.01, subdivision 3; 256G.02, subdivision 4; 256G.07, subdivisions 1 and 2; 256G.10; 256G.11; 272.02, subdivisions 1 and 1a; 272.115, subdivision 4; 273.1102, subdivision 2; 273.1104, subdivision 1; 273.123, subdivisions 1, 4, and 5; 273.124, subdivisions 8, 11, and 13; 273.1392; 273.1393; 273.165, subdivision 2; 275.50, subdivisions 2 and 5; 275.51, subdivision 3h; 276.04; 279.06; 281.17; 290A.03, subdivisions 13 and 14; 290A.04, subdivision 2; 473.446, subdivision 1; 473F.02, subdivision 4; 475.61, subdivision 3; 477A.011, subdivision 7; 477A.012, subdivision 1; and 477A.013; proposing coding for new law in Minnesota Statutes, chapters 124; 273; and 477A; repealing Minnesota Statutes 1986, sections 256.965; 273.13, subdivision 30; 477A.011, subdivisions 4, 5, 6, 7a, 10, 12, and 14; and 477A.03, subdivision 1; Minnesota Statutes 1987 Supplement, sections 124.2131, subdivision 2; 245.775; 256D.22; 256G.05, subdivision 1; 256G.07, subdivision 4; 273.13, subdivisions 22, 23, 24, 25, and 31; 273.1394; 273.1395; 273.1396; 273.1397; 275.081; 275.125, subdivision 22; 290A.04, subdivisions 2a and 2b; and 477A.013, subdivision 2; Laws 1987, chapters 268, article 5, section 4; and 291, section 208.

Referred to the Committee on Taxes and Tax Laws.

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

S.F. No. 1958: A bill for an act relating to employment; requiring breaks during the work day; amending Minnesota Statutes 1986, sections 177.32, subdivision 1; and 177.33; proposing coding for new law in Minnesota Statutes, chapter 177.

Referred to the Committee on Employment.

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

S.F. No. 1959: A bill for an act relating to employment; mandating a study on the effects of video display terminals; mandating a study on mandatory overtime.

Referred to the Committee on Employment.

Mr. Jude, Mrs. McQuaid, Messrs. Vickerman, Metzen and Mrs. Adkins introduced—

S.F. No. 1960: A bill for an act relating to drivers' licenses; providing that person must discharge bad checks before driver's license or permit is issued, renewed, or reinstated; authorizing department of public safety to maintain records of bad checks submitted; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 171.

Referred to the Committee on Transportation.

Messrs. Larson; Decker; Mehrkens; Johnson, D.E. and Anderson introduced—

S.F. No. 1961: A bill for an act relating to taxation; sales; exempting certain tree trimming services purchased by cooperative electric utilities; amending Minnesota Statutes 1987 Supplement, section 297A.01, subdivision 3.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Frank, Pogemiller and Mrs. Lantry introduced—

S.F. No. 1962: A bill for an act relating to traffic regulations; requiring motor vehicle lessors to provide child passenger restraints on request; amending Minnesota Statutes 1987 Supplement, section 169.685, subdivision 6.

Referred to the Committee on Transportation.

Mr. Pogemiller and Ms. Reichgott introduced—

S.F. No. 1963: A bill for an act relating to public finance; providing requirements for the issuance and use of public debt; amending Minnesota Statutes 1986, sections 123.36, by adding a subdivision; 410.32; 475.54, by adding a subdivision; 475.67, subdivision 13; Minnesota Statutes 1987 Supplement, sections 469.012, subdivision 1; 469.015, subdivision 4; 469.035; 469.155, subdivision 12; and 475.66, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 469.

Referred to the Committee on Taxes and Tax Laws.

Mr. Pogemiller, Ms. Reichgott and Mr. Frank introduced—

S.F. No. 1964: A bill for an act relating to public finance; providing conditions of local and state government debt financing; allocating bonding authority subject to a volume cap under federal tax law; amending Minnesota Statutes 1987 Supplement, sections 474A.04, subdivision 1a; 474A.061, subdivisions 2 and 4; and 474A.091; repealing Minnesota Statutes 1987 Supplement, section 474A.061, subdivision 5.

Referred to the Committee on Economic Development and Housing.

Mr. Pogemiller and Mrs. Lantry introduced—

S.F. No. 1965: A bill for an act relating to education; appropriating money to the labor studies and resource center to train teachers in labor history and in the role of labor in the economy.

Referred to the Committee on Education.

Mr. Morse, Ms. Peterson, D.C. and Mrs. Lantry introduced—

S.F. No. 1966: A bill for an act relating to public safety; allowing health care professionals to certify handicapped conditions; amending Minnesota Statutes 1987 Supplement, section 169.345.

Referred to the Committee on Transportation.

Mr. Purfeerst, Ms. Reichgott, Messrs. Peterson, R. W. and Mehrkens introduced—

S.F. No. 1967: A bill for an act relating to education; allowing districts intending to consolidate to be eligible for program improvement grants; amending Minnesota Statutes 1987 Supplement, section 129B.11, by adding a subdivision.

Referred to the Committee on Education.

Messrs. Bernhagen; Johnson, D.J.; Frederickson, D.R. and Johnson, D.E. introduced—

S.F. No. 1968: A bill for an act relating to economic development; providing for the use of municipal resources for establishment of a local revolving loan fund; amending Minnesota Statutes 1987 Supplement, section 116N.08, subdivision 8.

Referred to the Committee on Economic Development and Housing.

Messrs. Waldorf; Wegscheid; Decker; Moe, D.M. and Taylor introduced—

S.F. No. 1969: A bill for an act relating to retirement; state university and community college faculty; establishing a Minnesota individual retirement plan; proposing coding for new law as Minnesota Statutes, chapters 354B, and 356A.

Referred to the Committee on Governmental Operations.

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

S.F. No. 1970: A bill for an act relating to human services; exempting Indian health service facilities from rate establishment; requiring rate establishment for out-of-state hospitals; amending Minnesota Statutes 1987 Supplement, section 256.969, subdivision 3.

Referred to the Committee on Health and Human Services.

Mr. Knaak introduced—

S.F. No. 1971: A bill for an act relating to the town of White Bear; authorizing the town of White Bear to establish an economic development authority; giving the town of White Bear the powers of a city with respect to the authority.

Referred to the Committee on Economic Development and Housing.

Messrs. Solon, Wegscheid, Diessner, Laidig and Mrs. Brataas introduced—

S.F. No. 1972: A bill for an act relating to the handicapped; permitting equal access to public accommodations for persons using a service dog; amending Minnesota Statutes 1986, section 256C.025, subdivision 4.

Referred to the Committee on Judiciary.

Messrs. Pehler; Merriam; Peterson, R.W.; Johnson, D.E. and Dahl introduced—

S.F. No. 1973: A bill for an act relating to education; vocational; establishing a statewide system for post-secondary vocational technical education; amending Minnesota Statutes 1986, sections 136C.04, subdivisions 5, 13, and by adding a subdivision; 136C.08, subdivision 1; 136C.15; 136C.26, subdivision 5; 136C.31, subdivision 1; 136C.36; 136C.41, by adding a subdivision; 136C.42, subdivisions 3 and 4; 136C.44; 179A.10, subdivision 2; and 275.125, subdivision 14a; Minnesota Statutes 1987 Supplement, sections 43A.08, subdivision 1; and 136C.04, subdivision 12;

proposing coding for new law in Minnesota Statutes, chapter 136C; repealing Minnesota Statutes 1986, sections 136C.02, subdivisions 6, 7, 8, and 9; 136C.04, subdivisions 14, 15, and 16; 136C.041; 136C.05, subdivisions 2, 3, and 4; 136C.07, subdivisions 1, 2, 3, 4, 5, 5a, and 6; 136C.25; 136C.29, subdivisions 1, 2, 3, and 4; 136C.36; 136C.60; 136C.61; 136C.62; 136C.63; 136C.64; 136C.65; 136C.66; 136C.67; 136C.68; 136C.69; Minnesota Statutes 1987 Supplement, sections 136C.05, subdivision 1; and 136C.29, subdivision 5.

Referred to the Committee on Education.

Mr. Diessner and Mrs. Lantry introduced—

S.F. No. 1974: A bill for an act relating to the Ramsey-Washington metro watershed district; authorizing a tax for the district's administrative fund.

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

Ms. Berglin, Messrs. Benson, Samuelson, Merriam and Waldorf introduced—

S.F. No. 1975: A bill for an act relating to human services; increasing the nursing home resident personal allowance; changing nursing home property-related costs and operating costs provisions; amending Minnesota Statutes 1987 Supplement, sections 256B.35, subdivision 1; and 256B.431, subdivisions 2b and 3a.

Referred to the Committee on Health and Human Services.

Mr. Wegscheid introduced—

S.F. No. 1976: A bill for an act relating to retirement; local police and firefighter relief associations; providing for postretirement payments for retirees, surviving spouses and dependents; proposing coding for new law in Minnesota Statutes, chapter 423A.

Referred to the Committee on Governmental Operations.

Mr. Bertram introduced—

S.F. No. 1977: A bill for an act relating to agriculture; changing limits and requirements of the rural finance authority's beginning farmer program; amending Minnesota Statutes 1987 Supplement, section 41B.039, subdivisions 2, 4, and by adding a subdivision.

Referred to the Committee on Agriculture.

Ms. Peterson, D.C.; Messrs. Langseth, Knaak and Peterson, R.W. introduced—

S.F. No. 1978: A bill for an act relating to education; providing for extended day programs; appropriating money; proposing coding for new law in Minnesota Statutes, chapters 121 and 124.

Referred to the Committee on Education.

Ms. Peterson, D.C.; Messrs. Langseth, Knaak and Peterson, R.W. introduced—

S.F. No. 1979: A bill for an act relating to education; providing for early childhood innovation programs; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 129B.

Referred to the Committee on Education.

Messrs. Wegscheid, Frederick and Novak introduced—

S.F. No. 1980: A bill for an act relating to motor vehicles; removing restrictions regarding restricted gasoline fill pipes; amending Minnesota Statutes 1986, section 325E.0951.

Referred to the Committee on Transportation.

Messrs. Novak, Frank, Hughes and Knaak introduced—

S.F. No. 1981: A bill for an act relating to education; reenacting the capital expenditure levy for leased buildings; amending Minnesota Statutes 1986, section 275.125, by adding a subdivision.

Referred to the Committee on Education.

Mr. Johnson, D.J. introduced—

S.F. No. 1982: A bill for an act relating to state lands; authorizing private sale of tax-forfeited land in St. Louis county.

Referred to the Committee on Environment and Natural Resources.

Mr. Johnson, D.J. introduced—

S.F. No. 1983: A bill for an act relating to state lands; authorizing private sale of tax-forfeited land in St. Louis county.

Referred to the Committee on Environment and Natural Resources.

Messrs. Solon, Diessner, Jude and Knaak introduced—

S.F. No. 1984: A bill for an act relating to agriculture; regulating veterinary drug distribution; imposing a penalty; proposing coding for new law in Minnesota Statutes, chapter 156.

Referred to the Committee on Agriculture.

Mr. DeCramer introduced—

S.F. No. 1985: A bill for an act relating to agriculture; extending and financing the interest rate buy-down program; establishing benefit limits; appropriating money.

Referred to the Committee on Agriculture.

Messrs. Merriam, Frank, Dahl and Novak introduced—

S.F. No. 1986: A bill for an act relating to capital improvements; providing for improvements at the Anoka-Ramsey Community College; authorizing sale of state bonds; appropriating money.

Referred to the Committee on Finance.

Mr. Marty, Mrs. Lantry, Ms. Piper and Mr. Jude introduced—

S.F. No. 1987: A bill for an act relating to state government; regulating state employment; establishing policies regarding full-time and part-time employees; amending Minnesota Statutes 1986, sections 16A.11, subdivision 3; 16A.123, subdivision 3; 43A.01, by adding a subdivision; 43A.05, subdivision 5; 43A.24, subdivision 1, and by adding a subdivision; and 43A.25.

Referred to the Committee on Governmental Operations.

Mr. Spear and Ms. Berglin introduced—

S.F. No. 1988: A bill for an act relating to health; establishing a program to test infants for hemoglobinopathy; appropriating money; amending Minnesota Statutes 1986, section 144.125.

Referred to the Committee on Health and Human Services.

Ms. Reichgott introduced—

S.F. No. 1989: A bill for an act relating to education; providing for capital expenditure and repair and restoration funding of school districts; amending Minnesota Statutes 1987 Supplement, section 124.244, subdivisions 1, 2, and 4; proposing coding for new law in Minnesota Statutes, chapter 124.

Referred to the Committee on Education.

Mr. Moe, R.D. introduced—

S.F. No. 1990: A bill for an act relating to economic development; establishing a celebrate Minnesota 1990 program; establishing a Minnesota marketplace program; authorizing certain fund transfers; appropriating money.

Referred to the Committee on Economic Development and Housing.

Mr. Schmitz introduced—

S.F. No. 1991: A bill for an act relating to taxation; providing for adjustment of computation of the homestead credit replacement aid to compensate for levy errors by auditors; amending Minnesota Statutes 1987 Supplement, section 273.1394, subdivision 2.

Referred to the Committee on Taxes and Tax Laws.

Mr. Schmitz introduced—

S.F. No. 1992: A bill for an act relating to school finance; providing a mill rate adjustment aid to school districts in which levies were reduced due to an auditor's error; appropriating money.

Referred to the Committee on Education.

Mr. Hughes, Ms. Olson, Messrs. Pehler, Morse and Ms. Reichgott introduced—

S.F. No. 1993: A bill for an act relating to education; providing for additional early childhood family education programs for certain children;

amending Minnesota Statutes 1986, sections 121.882, subdivision 7, and by adding a subdivision; and 275.125, subdivision 8b.

Referred to the Committee on Education.

Mr. Peterson, R.W. introduced—

S.F. No. 1994: A bill for an act relating to natural resources; authorizing a private sale of surplus state property to the Memorial Hospital Association of Cambridge.

Referred to the Committee on Environment and Natural Resources.

Mr. Peterson, R.W. introduced—

S.F. No. 1995: A bill for an act relating to health; permitting various public hospitals to hold closed meetings on certain facility business; permitting certain data to be treated as trade secret information; amending Minnesota Statutes 1986, section 144.581, by adding a subdivision.

Referred to the Committee on Judiciary.

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

S.F. No. 1996: A bill for an act relating to agriculture; limiting ownership of agricultural land by certain corporations and limited partnerships; requiring certain reports; prescribing a civil penalty; amending Minnesota Statutes 1986, section 500.24, subdivisions 3 and 4; and Minnesota Statutes 1987 Supplement, section 500.24, subdivision 2.

Referred to the Committee on Agriculture.

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

S.F. No. 1997: A bill for an act relating to agriculture; allowing participation by the rural finance administration in seller-sponsored loans to certain farmers; allowing combination of programs by certain farmers; appropriating money; amending Minnesota Statutes 1986, section 41B.02, by adding a subdivision; Minnesota Statutes 1987 Supplement, sections 41B.01, subdivision 2; 41B.03, subdivision 3; 41B.039, subdivisions 1, 2, and by adding a subdivision; and 41B.05.

Referred to the Committee on Agriculture.

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

S.F. No. 1998: A bill for an act relating to grain marketing; establishing standards for certain premiums and discounts; authorizing the commissioner of agriculture to review the accuracy of certain test equipment operators; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 17C.

Referred to the Committee on Agriculture.

Messrs. Moe, D.M.; Waldorf; Marty and Novak introduced—

S.F. No. 1999: A bill for an act relating to appropriations; providing money for the restoration of the St. Paul union depot concourse.

Referred to the Committee on Finance.

Mr. Moe, R.D. introduced—

S.F. No. 2000: A bill for an act proposing an amendment to the Minnesota Constitution by adding a section to article XI; establishing a Minnesota environment and natural resources trust fund; providing implementing legislation; creating a legislation commission and an advisory committee; proposing coding for new law as Minnesota Statutes, chapter 115C.

Referred to the Committee on Environment and Natural Resources.

Messrs. Jude, Frank, Waldorf, Storm and Novak introduced—

S.F. No. 2001: A bill for an act relating to utilities; providing procedures for changing rates for noncompetitive telephone services; requiring report to the legislature; amending Minnesota Statutes 1987 Supplement, section 237.62, subdivision 1.

Referred to the Committee on Public Utilities and Energy.

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

S.F. No. 2002: A bill for an act relating to state government; ratifying labor agreements, compensation plans, and salaries for state employees, and salaries for certain employees of metropolitan agencies.

Referred to the Committee on Governmental Operations.

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

S.F. No. 2003: A bill for an act relating to state government; providing for salary ranges for certain state employees; regulating emergency civil service appointments; regulating affirmative action; regulating health and other fringe benefit coverages; providing duties for the commissioner of employee relations; amending Minnesota Statutes 1986, sections 43A.15, subdivisions 2 and 11; 43A.19, subdivision 1; 43A.23, subdivisions 1 and 3; 43A.27, subdivision 3; Minnesota Statutes 1987 Supplement, sections 15A.081, subdivision 1; 43A.191, subdivision 3; 43A.316, subdivisions 2, 4, 8, and by adding a subdivision; 43A.421; 79.34, subdivision 1; and 176.611, subdivisions 2 and 3a.

Referred to the Committee on Governmental Operations.

Mr. Benson introduced—

S.F. No. 2004: A bill for an act relating to port authorities; requiring a majority of commissioners to be elected officials; amending Minnesota Statutes 1987 Supplement, section 469.050, subdivisions 1, 2, 3, and by adding a subdivision.

Referred to the Committee on Economic Development and Housing.

Messrs. Vickerman; Renneke; Peterson, R.W. and Berg introduced—

S.F. No. 2005: A bill for an act relating to police state aid; allowing counties and municipalities to use excess state aid distributions for governmental purposes; amending Minnesota Statutes 1986, section 69.031, subdivision 5.

Referred to the Committee on Governmental Operations.

Messrs. Wegscheid, Metzen, Schmitz and Knutson introduced—

S.F. No. 2006: A bill for an act relating to public employees; providing that certain historical society employees be eligible for public employees benefits; amending Minnesota Statutes 1986, section 471.61, subdivision 1; and Minnesota Statutes 1987 Supplement, section 353.01, subdivision 2a.

Referred to the Committee on Governmental Operations.

Messrs. Wegscheid, Schmitz and Knutson introduced—

S.F. No. 2007: A bill for an act relating to taxation; authorizing counties which levy a tax on the extraction of aggregate material to extend the tax to clay soil; amending Minnesota Statutes 1986, section 298.75, subdivisions 1 and 2.

Referred to the Committee on Taxes and Tax Laws.

Mr. Brandl and Ms. Berglin introduced—

S.F. No. 2008: A bill for an act relating to health maintenance organizations; requiring insolvency insurance policies to be filed; requiring a deposit; creating a net worth requirement; allowing for a reduction of net worth in certain circumstances; defining admitted assets; imposing investment restrictions; requiring quarterly reports; providing for the inclusion of certain items in provider contracts; regulating rehabilitation and liquidations; including health maintenance organizations in the Life and Health Guaranty Association; requiring health maintenance organizations to maintain liabilities for unpaid claims; amending Minnesota Statutes 1986, sections 62D.02, by adding subdivisions; 62D.03, subdivision 4; 62D.041, subdivisions 1, 2, 3, 4, 7, and by adding subdivisions; 62D.05, subdivision 3; 62D.08, by adding a subdivision; 62D.12, subdivision 5; and 62D.18; Minnesota Statutes 1987 Supplement, section 62D.04, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 62D; repealing Minnesota Statutes 1986, section 62D.041, subdivisions 5, 6, and 8.

Referred to the Committee on Health and Human Services.

Ms. Berglin introduced—

S.F. No. 2009: A bill for an act relating to family law; modifying and clarifying provisions for the collection and enforcement of child support; providing for cost-of-living adjustments in spousal maintenance awards; providing for grandparent visitation rights in all family law proceedings; providing for reopening of judgments; providing for custody rights; amending Minnesota Statutes 1986, sections 256.87, subdivisions 1 and 1a; 256.978;

257.022, subdivision 2; 270A.03, subdivision 4; 518.145; 518.156, subdivision 1; 518.17, subdivision 3; 518.171, subdivision 10; 518.175, subdivision 7; 518.551, subdivision 11; 518.552, subdivision 4; 518.611, subdivision 10; 518.64, subdivision 2; and 518.641; Minnesota Statutes 1987 Supplement, section 518.611, subdivision 2.

Referred to the Committee on Judiciary.

Mr. Chmielewski introduced—

S.F. No. 2010: A bill for an act relating to environment; exempting innocent landowners from liability; amending Minnesota Statutes 1987 Supplement, section 115C.02, subdivision 13.

Referred to the Committee on Environment and Natural Resources.

Ms. Piper and Mr. Chmielewski introduced—

S.F. No. 2011: A bill for an act relating to labor; providing comparable worth compensation for certain employees in semi-independent living service, developmental achievement center, and intermediate care facility for the mentally retarded programs; authorizing a study; appropriating money.

Referred to the Committee on Employment.

Mr. Vickerman and Ms. Piper introduced—

S.F. No. 2012: A bill for an act relating to human services; authorizing grants for additional semi-independent living services; appropriating money; amending Minnesota Statutes 1986, section 252.275, by adding a subdivision.

Referred to the Committee on Health and Human Services.

Ms. Berglin introduced—

S.F. No. 2013: A bill for an act relating to human services; requiring nursing and boarding care homes to pay screening costs monthly for residents and applicants for residence; allowing other persons to request screening and pay screening costs on a sliding fee scale; amending Minnesota Statutes 1987 Supplement, section 256B.091, subdivision 4.

Referred to the Committee on Health and Human Services.

Mr. Marty, Mses. Reichgott; Peterson, D.C. and Berglin introduced—

S.F. No. 2014: A bill for an act relating to health; prohibiting advertising of tobacco products on public property; proposing coding for new law in Minnesota Statutes, chapter 144.

Referred to the Committee on Commerce.

Messrs. Vickerman and Langseth introduced—

S.F. No. 2015: A bill for an act relating to property tax administration; extending the time by which senior accreditation is required for assessors; amending Minnesota Statutes 1987 Supplement, sections 270.485; and 273.061, subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Pogemiller; Moe, R.D. and Frederickson, D.R. introduced—

S.F. No. 2016: A bill for an act relating to bonds; authorizing the Minnesota public facilities authority to issue revenue bonds and make loans to or purchase the bonds of municipalities for wastewater treatment and water supply systems; amending Minnesota Statutes 1986, section 475.58, subdivision 1; Minnesota Statutes 1987 Supplement, sections 446A.03, by adding a subdivision; 446A.04, by adding subdivisions; 446A.05, subdivision 1; and proposing coding for new law in Minnesota Statutes, chapter 446A.

Referred to the Committee on Economic Development and Housing.

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

S.F. No. 2017: A bill for an act relating to Gillette children's hospital; authorizing the hospital board to affiliate with Minneapolis children's medical center and its parent corporation; authorizing the delegation of powers and functions to the parent corporation; amending Minnesota Statutes 1986, section 250.05, subdivisions 1, 3, 3a, 4, 5, and 6.

Referred to the Committee on Governmental Operations.

Ms. Berglin, Mr. Spear and Ms. Piper introduced—

S.F. No. 2018: A bill for an act relating to human services; authorizing a representative payee for general assistance to drug dependent persons; amending Minnesota Statutes 1986, section 256D.09, by adding a subdivision.

Referred to the Committee on Health and Human Services.

Mr. Dicklich introduced—

S.F. No. 2019: A bill for an act relating to insurance; requiring an employer, group, or organization to offer an alternative dental benefit plan option and contribute towards its cost under certain circumstances; proposing coding for new law in Minnesota Statutes, chapter 62A.

Referred to the Committee on Commerce.

Mr. Dicklich introduced—

S.F. No. 2020: A bill for an act relating to insurance; allowing an individual to elect to refuse maternity benefits and receive an appropriate premium reduction; amending Minnesota Statutes 1987 Supplement, section 62A.041.

Referred to the Committee on Commerce.

Mr. Marty, Ms. Peterson, D.C. and Mr. Morse introduced—

S.F. No. 2021: A bill for an act relating to elections; providing for accounting for certain contributions; suspending public subsidy expenditure limits under certain circumstances; amending Minnesota Statutes 1986, sections 10A.15, by adding a subdivision; and 10A.25, subdivision 10.

Referred to the Committee on Elections and Ethics.

Messrs. Solon and Gustafson introduced—

S.F. No. 2022: A bill for an act relating to independent school district No. 709; providing for payment of medical insurance premiums for terminated employees.

Referred to the Committee on Education.

Mses. Berglin; Peterson, D.C. and Mr. Spear introduced—

S.F. No. 2023: A bill for an act relating to real property; requiring recordation of transfers of contracts for deed; providing penalties; amending Minnesota Statutes 1986, section 507.235.

Referred to the Committee on Judiciary.

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

S.F. No. 2024: A bill for an act relating to education; providing for initiatives or changes in general education revenue; school transportation; vocational education; community service education; AIDS prevention education; desegregation; expanded student opportunities; teacher licensing; interdistrict cooperation; technology education; educational effectiveness; education advisory councils; open enrollment; Indian education; arts education planning; mentorship program; board of teaching; governor's scholarship and academic excellence program; nonpublic aid; appropriating money; amending Minnesota Statutes 1986, sections 120.06, by adding a subdivision; 121.901, subdivision 2; 123.3514, by adding a subdivision; 123.937; 124.17, by adding a subdivision; 125.183, subdivision 3; 129B.20, subdivision 1; 275.125, by adding a subdivision; Minnesota Statutes 1987 Supplement, sections 121.87, subdivision 1a; 121.934, subdivision 1; 123.3515, subdivisions 1 and 4, and by adding a subdivision; 124A.25, subdivision 2; 126.22, subdivisions 2 and 3; 126.23; 126.666, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 121; 124; and 124A; repealing Minnesota Statutes 1987 Supplement, section 275.125, subdivision 6e.

Referred to the Committee on Education.

Messrs. Freeman, Solon and Luther introduced—

S.F. No. 2025: A bill for an act relating to financial institutions; providing for the licensing of mortgage lenders and loan officers and general mortgage brokers and individual mortgage brokers; detailing the supervising powers of the commissioner; prescribing penalties; appropriating money; amending Minnesota Statutes 1986, sections 46.131, subdivision 2; 56.01; and 82.18; Minnesota Statutes 1987 Supplement, section 82.17, subdivision 4; proposing coding for new law as Minnesota Statutes, chapter 82B.

Referred to the Committee on Commerce.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Thursday, February 25, 1988. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

SIXTY-FIRST DAY

St. Paul, Minnesota, Thursday, February 25, 1988

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

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rev. John G. Krueger.

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

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

The President declared a quorum present.

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

MEMBERS EXCUSED

Messrs. Brandl, Pehler and Peterson, R. W. were excused from the Session of today.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

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

February 3, 1988

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointments to the Minnesota Higher Education Coordinating Board are hereby respectfully submitted to the Senate for confirmation as required by law:

Charles Mourin, 732 Arrowhead, Aurora, St. Louis County, has been appointed by me, effective January 26, 1988, for a term expiring the first Monday in January, 1994.

Charles Neerland, 330 Prospect Ave. S., Minneapolis, Hennepin County, has been appointed by me, effective February 8, 1988, for a term expiring the first Monday in January, 1994.

(Referred to the Committee on Education.)

February 4, 1988

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

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

Nancy B. Vollertsen, 1007 - 20th St. N.W., Rochester, Olmsted County, has been appointed by me, effective January 26, 1988, for a term expiring the first Monday in January, 1992.

Florence Grieve, 280 Salem Church Rd., Sunfish Lake, Dakota County, has been appointed by me, effective January 26, 1988, for a term expiring the first Monday in January, 1992.

Jack R. Fena, HCR5, Box 350A, Hibbing, St. Louis County, has been appointed by me, effective January 26, 1988, for a term expiring the first Monday in January, 1992.

Reginald T. Buckner, 7225 Green Valley Rd., Golden Valley, Hennepin County, has been appointed by me, effective January 26, 1988, for a term expiring the first Monday in January, 1992.

(Referred to the Committee on Education.)

Sincerely,
Rudy Perpich, Governor

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

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

Senate File No. 236 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned February 22, 1988

CONCURRENCE AND REPASSAGE

Mr. Waldorf moved that the Senate concur in the amendments by the House to S.F. No. 236 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 236 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 57 and nays 1, as follows:

Those who voted in the affirmative were:

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

Mr. Spear voted in the negative.

So the bill, as amended, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

Pursuant to Joint Rule 3.02, the Conference Committee on House File No. 236 was discharged after adjournment May 18, 1987 and the bill was laid on the table.

H.F. No. 236: A bill for an act relating to elections; requiring fair campaign practices; imposing penalties; amending Minnesota Statutes 1986, sections 123.015; 200.015; 201.275; 204C.04; proposing coding for new law as Minnesota Statutes, chapters 211A and 211B; repealing Minnesota Statutes 1986, chapter 210A.

I have the honor to announce that on February 22, 1988, House File No. 236 was taken from the table and new House conferees were appointed.

Scheid, Neuenschwander and Knickerbocker have been appointed as such committee on the part of the House.

House File No. 236 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted February 22, 1988

Ms. Peterson, D.C. moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 236, and that a Conference

Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 257:

H.F. No. 257: A bill for an act relating to state government; requiring the board of investments to adopt an investment policy; authorizing certain investments by the board of investments; providing that certain state employees who are eligible to retire are eligible for state-paid insurance benefits; modifying definition of terms and conditions of employment for public employees; amending Minnesota Statutes 1986, sections 11A.04; 11A.24, subdivisions 2, 4, 5, and 6; 11A.25; 43A.24, subdivision 2; and 179A.03, subdivision 19.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Simoneau; Johnson, R. and Knickerbocker have been appointed as such committee on the part of the House.

House File No. 257 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted February 22, 1988

Mr. Moe, D.M. moved that H.F. No. 257 be laid on the table. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 727:

H.F. No. 727: A bill for an act relating to state government; amending the process for establishing salaries for the chair of the regional transit board and directors of statewide pension systems; amending Minnesota Statutes 1986, section 15A.081, subdivisions 1 and 7, and by adding a subdivision.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Simoneau; Johnson, R. and Knickerbocker have been appointed as such committee on the part of the House.

House File No. 727 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted February 22, 1988

Mr. Moe, D.M. moved that the Senate accede to the request of the House

for a Conference Committee on H.F. No. 727, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 421, 1740, 1754 and 1766.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted February 22, 1988

FIRST READING OF HOUSE BILLS

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

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

Referred to the Committee on Health and Human Services.

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

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1738, now on General Orders.

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

Referred to the Committee on Judiciary.

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

Referred to the Committee on Local and Urban Government.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of the report pertaining to appointments. The motion prevailed.

Mr. Solon from the Committee on Commerce, to which was referred S.F. No. 1646: A bill for an act relating to insurance; accident and health; clarifying certain coverages for newborn infants; amending Minnesota Statutes 1986, section 62A.042.

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

Page 1, line 10, before "No" insert "(a)"

Page 1, line 22, delete "This" and insert:

"(b) The" and after "coverage" insert "under paragraph (a)"

Page 1, line 23, after "treatment" insert "up to age 18"

Page 2, line 1, after the period, insert "*If orthodontic services are eligible for coverage under a dental insurance plan, that plan shall have primary responsibility for covering those services. Payment for dental or orthodontic treatment not related to the management of the congenital condition of cleft lip and cleft palate shall not be covered under this provision.*"

Page 2, line 2, before "No" insert "(a)"

Page 2, line 12, delete "This" and insert:

"(b) The" and after "coverage" insert "under paragraph (a)"

Page 2, line 14, after "treatment" insert "up to age 18"

Page 2, line 16, after the period, insert "*If orthodontic services are eligible for coverage under a dental insurance plan, that plan shall have primary responsibility for covering those services. Payment for dental or orthodontic treatment not related to the management of the congenital condition of cleft lip and cleft palate shall not be covered under this provision.*"

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

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 1768: A bill for an act relating to commerce; safe deposit companies; providing for performance of will searches upon safe deposit box renter's death; amending Minnesota Statutes 1986, section 55.10, by adding a subdivision.

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

Page 1, line 15, after "individual" insert "believes"

Page 1, line 16, delete "believes" and delete "or burial"

Page 1, line 17, delete "documents"

Page 1, line 18, after "(2)" insert "the individual"

Page 2, line 4, delete "subdivision" and insert "section"

Page 2, line 6, delete "a copy of"

Page 2, line 7, delete "furnished by that person"

Page 2, after line 17, insert:

“(d) For purposes of this section, the term “will” includes a will or a codicil.”

Page 2, line 18, delete “(d)” and insert “(e)”

Page 2, lines 19 and 23, delete “or codicil”

Page 2, line 24, delete “The safe deposit company may”

Page 2, delete line 25

Page 2, line 26, delete “person.”

Page 2, line 28, delete “(e)” and insert “(f)”

Page 2, line 30, delete “. The safe deposit company's determination of” and insert “and when acting in reliance upon an affidavit, it is discharged as if it dealt with the personal representative of the lessee. If the safe deposit company is not satisfied that the requirements of this subdivision have been met, it may decline to open the box.”

Page 2, delete lines 31 to 33

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

Mr. Solon from the Committee on Commerce, to which was referred

H.F. No. 85: A bill for an act relating to consumer protection; requiring certain disclosures in sales of used motor vehicles; regulating new and used motor vehicle licenses; providing certain standards in applications for certificates of title; requiring certain disclosures upon the transfer of a motor vehicle; amending Minnesota Statutes 1986, sections 168.27; subdivisions 1, 2, 3, 4, 8, 10, 12, and 24; 169.57, by adding a subdivision; 325E.0951, by adding a subdivision; 325G.18; and 336.2-316; proposing coding for new law in Minnesota Statutes, chapters 168 and 168A.

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

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1986, section 168.27, subdivision 1, is amended to read:

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

(1) “Leasing motor vehicles” means furnishing a motor vehicle for a fee under a bailor-bailee relationship where no incidences of ownership are intended to be transferred other than the right to use the vehicle for a stated period of time.

(2) “Brokering motor vehicles” means arranging sales between willing buyers and sellers of motor vehicles and receiving a fee for said service.

(3) “Wholesaling motor vehicles” means selling new or used motor vehicles to dealers for resale to the public.

(4) “Auctioning motor vehicles” means arranging for and handling the sale of motor vehicles, not the property of the auctioneer, to the highest bidder.

(5) “Dealer” includes new motor vehicle dealers, used motor vehicle

dealers, ~~brokers~~, wholesalers, auctioneers and lessors of new or used motor vehicles.

(6) "Commercial building" means a *permanent, enclosed building that is on a permanent foundation and connected to local sewer and water facilities or otherwise complying with local sanitary codes, is adapted to commercial use and located in an area zoned for commercial or other less restrictive nonresidential use by the governmental unit in which it is located, and conforms to local government zoning requirements.* "Commercial building" may include strip office malls or garages if a separate entrance and a separate address are maintained and the dealership is clearly identified as a separate business.

(7) "Commercial office space" means office space occupying all or part of a commercial building.

(8) "Horse trailer" is a trailer designed and used to carry horses and other livestock, which has not more than three axles and a maximum gross weight capacity of not more than 24,000 pounds.

(9) "Isolated or occasional sales or leases" means the sale or lease of not more than five motor vehicles in a 12-month period, exclusive of pioneer or classic motor vehicles as defined in section 168.10, subdivisions 1a and 1b.

(10) "Used motor vehicle" means a motor vehicle for which title has been transferred from the person who first acquired it from the manufacturer, distributor, or dealer. A new motor vehicle will not be considered a used motor vehicle until it has been placed in actual operation and not held for resale by an owner who has been granted a certificate of title on the motor vehicle and has registered the motor vehicle in accordance with chapters 168, 168A, and 297B, or the laws of the residence of the owner.

(11) "New motor vehicle" means a motor vehicle other than described in paragraph (10).

Sec. 2. Minnesota Statutes 1986, section 168.27, subdivision 2, is amended to read:

Subd. 2. [NEW MOTOR VEHICLE DEALER.] (a) No person shall engage in the business of selling ~~or arranging the sale of~~ new motor vehicles or shall offer to sell, solicit, ~~arrange~~ or advertise the sale of new motor vehicles without first acquiring a new motor vehicle dealer license. A new motor vehicle dealer licensee shall be entitled thereunder to sell, broker, wholesale or auction and to solicit and advertise the sale, broker, wholesale or auction of new motor vehicles covered by the franchise and any used motor vehicles or to lease and to solicit and advertise the lease of new motor vehicles and any used motor vehicles and such sales or leases may be either for consumer use at retail or for resale to a dealer. Nothing herein shall be construed to require an applicant for a dealer license who proposes to deal in: (1) new and unused motor vehicle bodies; or (2) type A, B, or C motor homes as defined in section 168.011, subdivision 25, to have a bona fide contract or franchise in effect with either the first-stage manufacturer of the motor home or the manufacturer or distributor of any motor vehicle chassis upon which the new and unused motor vehicle body is mounted. The modification or conversion of a new van-type vehicle into a multipurpose passenger vehicle which is not a motor home does not constitute dealing in new or unused motor vehicle bodies, and a person engaged in the business of selling these van-type vehicles must have a bona

fide contract or franchise with the appropriate manufacturer under subdivision 10. A van converter or modifier who owns these modified or converted van-type vehicles may sell them at wholesale to new motor vehicle dealers having a bona fide contract or franchise with the first-stage manufacturer of the vehicles.

(b) The requirements pertaining to franchises do not apply to persons who remodel or convert motor vehicles for medical purposes. For purposes of this subdivision, "medical purpose" means certification by a licensed physician that remodeling or conversion of a motor vehicle is necessary to enable a handicapped person to use the vehicle.

Sec. 3. Minnesota Statutes 1986, section 168.27, is amended by adding a subdivision to read:

Subd. 5a. [CONSIGNMENT SALES.] No person may solicit, accept, offer for sale, or sell motor vehicles for consignment sale unless licensed as a new or used motor vehicle dealer, a motor vehicle wholesaler, or a motor vehicle auctioneer.

Sec. 4. Minnesota Statutes 1986, section 168.27, subdivision 8, is amended to read:

Subd. 8. [EXEMPTIONS.] (1) Salespeople and other employees of licensed dealers under this section shall not be required to obtain individual licenses.

(2) Isolated or occasional sales or leases of new or used motor vehicles shall be exempt from the provisions of this section. A person who makes only isolated or occasional sales or leases is not considered to be in the business of selling or leasing motor vehicles and does not qualify to receive dealer plates pursuant to subdivision 16.

Sec. 5. Minnesota Statutes 1986, section 168.27, subdivision 10, is amended to read:

Subd. 10. [ESTABLISHED PLACE OF DOING BUSINESS.] All licensees under this section shall have an established place of business which shall include as a minimum:

(1) For a new motor vehicle dealer, the following:

(a) a permanent enclosed commercial building on a permanent foundation, owned or under lease by the licensee. The lease shall be for a minimum term of one year. The building shall contain office space where the books, records and files necessary to conduct the business are kept and maintained with personnel available during normal business hours. *Dealership business hours must be conspicuously posted on the place of doing business and readily viewable by the public;*

(b) a bona fide contract or franchise (1) in effect with a manufacturer or distributor of the new motor vehicles the dealer proposes to sell, broker, wholesale or auction, or (2) in effect with the first-stage manufacturer or distributor of new motor vehicles purchased from a van converter or modifier which the dealer proposes to sell, broker, wholesale, or auction, or (3) in effect with the final stage manufacturer of the new type A, B or C motor homes which the dealer proposes to sell, broker, wholesale, or auction;

(c) a facility for the repair and servicing of motor vehicles and the storage of parts and accessories, not to exceed ten miles distance from the principal place of business. Such service may be provided through contract with bona fide operators actually engaged in such services;

(d) *an area either indoors or outdoors to display motor vehicles which is owned or under lease by the licensee; and*

(e) *a sign clearly identifying the dealership by name which is readily viewable by the public.*

(2) For a used motor vehicle dealer, the following:

(a) ~~a permanent enclosed commercial building on a permanent foundation~~, owned or under lease by the licensee. The lease shall be for a minimum term of one year. The building shall contain office space ~~for~~ *where the books, records and files necessary to conduct the business are kept and maintained with personnel available during normal business hours or automatic telephone answering service during normal working business hours. Dealership business hours must be conspicuously posted on the place of doing business and readily viewable by the public;*

(b) *an area either indoors or outdoors to display motor vehicles which is owned or under lease by the licensee; and*

(c) *a sign clearly identifying the dealership by name which is readily viewable by the public.*

(3) For a motor vehicle lessor, the following: a commercial office space where the books, records and files necessary to conduct the business are kept and maintained with personnel available during normal business hours or an automatic telephone answering service during normal business hours. *Business hours must be conspicuously posted on the place of doing business and readily viewable by the public. The office space must be owned or under lease for a minimum term of one year by the licensee.*

(4) ~~For a motor vehicle broker, the following: a commercial office space where the books, records and files necessary to conduct the business are kept and maintained with personnel available during normal business hours or an automatic telephone answering service during normal business hours.~~

(5) For a motor vehicle wholesaler, the following: a commercial office space where the books, records and files necessary to conduct the business are kept and maintained with personnel available during normal business hours or an automatic telephone answering service during normal business hours. *The office space must be owned or under lease for a minimum term of one year by the licensee.*

(6) (5) For a motor vehicle auctioneer, the following: a permanent enclosed commercial building, within or without the state, on a permanent foundation, owned or under lease by the licensee. The lease shall be for a minimum term of one year. The building shall contain office space where the books, records and files necessary to conduct the business are kept and maintained with personnel available during normal business hours or an automatic telephone answering service during normal business hours.

(7) (6) If a new or used motor vehicle dealer maintains more than one place of doing business in a county, the separate places shall be listed on the application. If additional places of business are maintained outside of one county, separate licenses shall be obtained for each county.

(8) (7) If a motor vehicle lessor, ~~broker~~ *wholesaler*, or auctioneer maintains more than one permanent place of doing business, either in one or more counties, the separate places shall be listed in the application, but only one license shall be required. *If a lessor proposes to sell previously*

leased or rented vehicles at a location outside the seven-county metropolitan area, as defined in section 473.121, subdivision 2, other than cities of the first or second class, the lessor must obtain a license for each nonmetropolitan area county in which sales are to take place.

(8) If a motor vehicle dealer, lessor, or wholesaler does not have direct access to a public road or street, any privately owned roadway providing access to a public road or street must be clearly identified and adequately maintained.

Sec. 6. Minnesota Statutes 1986, section 168.27, subdivision 11, is amended to read:

Subd. 11. [LICENSES.] *Application for license or notification of a change of location of a license must include a street address, not a post office box, and is subject to the registrar's approval.* Upon the filing of an application for a license and the proper fee, the registrar is authorized, unless the application on its face appears to be invalid, to grant a 90-day temporary license and during said 90-day period shall investigate the fitness of the applicant, inspect the site and make such other investigation as is necessary to insure compliance with the licensing law. The registrar may extend the temporary license 30 days. At the end of the period of investigation the license shall either be granted or denied. The license must be denied if within the previous five years the applicant was enjoined due to a violation of section 325F.69 or convicted of violating section 325E.14, 325E.15, 325E.16, or 325F.69, or convicted under section 609.53 of receiving or selling stolen vehicles, or convicted of violating United States Code, title 15, sections 1981 to 1991, as amended through December 31, 1984. If the application is approved, the registrar shall license the applicant as a motor vehicle dealer for the remainder of the calendar year, and issue a certificate of license therefor as the registrar may provide upon which shall be placed a distinguishing number of identification of such dealer. Each initial application for a license shall be accompanied by a fee of \$50 in addition to the annual fee. The annual fee shall be \$100. All initial fees and annual fees shall be paid into the state treasury and credited to the general fund. If the initial application is received by the registrar after July 1 of any year, the first annual fee shall be reduced by one-half.

Sec. 7. Minnesota Statutes 1986, section 168.27, is amended by adding a subdivision to read:

Subd. 12a. [GROUNDS FOR CANCELLATION WITHOUT HEARING.] *A license may be canceled by the registrar upon satisfactory proof that the dealer has failed to provide or maintain the required surety bond, or that the dealer has failed to provide or maintain the insurance required under chapter 65B. Surety companies and insurers providing required coverages shall promptly notify the registrar upon canceling any surety bond or required insurance. The registrar shall notify the dealer of the reason or reasons for cancellation before the cancellation occurs.*

Sec. 8. Minnesota Statutes 1986, section 168.27, is amended by adding a subdivision to read:

Subd. 26. [ADVERTISING DISCLOSURE.] *All advertising by a motor vehicle dealer must disclose that the vehicle is being offered for sale by a dealer through use of the dealership name, the term "dealer", or the abbreviation "DLR."*

Sec. 9. [168A.085] [APPLICATIONS FOR TITLE, CERTAIN CASES.]

Subdivision 1. [LIMITATIONS.] No application for certificate of title or registration may be issued for a vehicle that was not manufactured in compliance with applicable federal emission standards in force at the time of manufacture as provided by the Clean Air Act, United States Code, title 42, sections 7401 through 7642, and regulations adopted pursuant thereto, and safety standards as provided by the National Traffic and Motor Safety Act, United States Code, title 15, sections 1381 through 1431, and regulations adopted pursuant thereto, unless the applicant furnishes either proof satisfactory to the agent that the vehicle was not brought into the United States from outside the country or all of the following:

(1) a bond release letter, with all attachments, issued by the United States Department of Transportation acknowledging receipt of a statement of compliance submitted by the importer of the vehicle and that the statement meets the safety requirements as provided by Code of Federal Regulations, title 19, section 12.80(e);

(2) a bond release letter, with all attachments, issued by the United States Environmental Protection Agency stating that the vehicle has been tested and known to be in conformity with federal emission requirements; and

(3) a receipt or certificate issued by the United States Department of the Treasury showing that any gas-guzzler taxes due on the vehicle as provided by Public Law Number 95-618, title 2, section 201(a), have been fully paid.

Subd. 2. [ACCOMPANYING DOCUMENTS.] The application for certificate of title and the application for registration must be accompanied by a manufacturer's certificate of origin in the English language which was issued by the actual vehicle manufacturer and either:

(1) the original documents constituting valid proof of ownership in the country in which the vehicle was originally purchased, together with a translation of the documents into the English language verified as to accuracy of the translation by affidavit of the translator; or

(2) with regard to a vehicle imported from a country that cancels the vehicle registration and title for export, a bond as required by section 168A.07, subdivision 1, clause (2).

Sec. 10. Minnesota Statutes 1987 Supplement, section 297B.031, is amended to read:

297B.031 [REFUND OF TAX; MANDATORY REFUND OR REPLACEMENT LAWS.]

If a manufacturer of motor vehicles is required by a court order under section 325F.665 or a decision of an informal dispute settlement mechanism as defined in section 325F.665, or a dealer or lessor of motor vehicles is required by section 12, to pay the consumer the tax imposed by this chapter, a portion of the tax so paid shall *must* be refunded to the manufacturer, dealer, or lessor. The amount of the refund shall *be* is the tax paid by the purchaser less an amount equal to the tax paid multiplied by a fraction, the denominator of which is the purchase price of the vehicle and the numerator of which is the allowance deducted from the refund for the consumer's use of the vehicle. The refund shall *must* be paid to the manufacturer, dealer, or lessor only upon filing of a written application, in a

form and providing information as prescribed by the commissioner. Payment of a refund pursuant to this section shall must be made out of the general and highway user funds in the same proportion provided for deposit of tax proceeds for the fiscal year pursuant to section 297B.09, subdivision 1. The amounts necessary to pay the refunds are appropriated out of the respective funds.

Sec. 11. Minnesota Statutes 1986, section 325E.0951, is amended by adding a subdivision to read:

Subd. 3a. [DISCLOSURE.] No person may transfer a motor vehicle without certifying in writing to the transferee that to the best of the person's knowledge, the pollution control system, including the restricted gasoline pipe, has not been removed, altered, or rendered inoperative. The registrar of motor vehicles shall prescribe the manner and form in which this written disclosure must be made. No transferor may knowingly give a false statement to a transferee in making a disclosure required by this subdivision.

Sec. 12. [325E662] [SALE OF USED MOTOR VEHICLES.]

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

(a) "Consumer" means the purchaser, other than for purposes of resale, of a used motor vehicle used primarily for personal, family, or household purposes.

(b) "Dealer" means a motor vehicle dealer or lessor, as defined in section 168.27, subdivisions 2, 3, and 4, whether licensed or unlicensed, or the dealer's or lessor's agent, who is engaged in the business of selling or arranging the sale of used motor vehicles in this state; except that, the term does not include a bank or financial institution, a business selling a used motor vehicle to an employee of that business, or a lessor selling a leased used motor vehicle to that vehicle's lessee or a family member or employee of the lessee.

(c) "Motor vehicle" means a passenger automobile, as defined in section 168.011, subdivision 7, including pickup trucks and vans.

(d) "Used motor vehicle" means any motor vehicle which has been driven more than the limited use necessary in moving or road testing a new motor vehicle prior to delivery to a consumer.

(e) "Express warranty" means a dealer's written statement, as defined in section 325G.17, subdivision 5, provided to a consumer in connection with the sale of a used motor vehicle.

(f) "Buyer's Guide" means the window form required by the Federal Trade Commission's "Used Motor Vehicle Trade Regulation Rule," Code of Federal Regulations, title 16, section 455.2.

Subd. 2. [WRITTEN WARRANTY REQUIRED.] (a) Every used motor vehicle sold by a dealer is covered by an express warranty which the dealer shall provide to the consumer. At a minimum, the express warranty applies for the following terms:

(1) if the used motor vehicle has less than 36,000 miles, the warranty must remain in effect for at least 60 days or 2,500 miles, whichever comes first;

(2) if the used motor vehicle has 36,000 miles or more, but less than

75,000 miles, the warranty must remain in effect for at least 30 days or 1,000 miles, whichever comes first;

(b) The express warranty must require the dealer, in the event of a malfunction, defect, or failure in a covered part, to repair or replace the covered part, or at the dealer's election, to accept return of the used motor vehicle from the consumer and provide a refund to the consumer.

(c) For used motor vehicles with less than 36,000 miles, the dealer's express warranty shall cover, at minimum, the following parts:

(1) with respect to the engine, all lubricated parts, intake manifolds, engine block, cylinder head, rotary engine housings, and ring gear;

(2) with respect to the transmission, the automatic transmission case, internal parts, and the torque converter; or, the manual transmission case, and the internal parts;

(3) with respect to the drive axle, the axle housings and internal parts, axle shafts, drive shafts and output shafts, and universal joints; but excluding the secondary drive axle on vehicles, other than passenger vans, mounted on a truck chassis;

(4) with respect to the brakes, the master cylinder, vacuum assist booster, wheel cylinders, hydraulic lines and fittings, and disc brakes calipers;

(5) with respect to the steering, the steering gear housing and all internal parts, power steering pump, valve body, piston, and rack;

(6) the water pump;

(7) the externally-mounted mechanical fuel pump;

(8) the radiator;

(9) the alternator, generator, and starter.

(d) For used motor vehicles with 36,000 miles or more, but less than 75,000 miles, the dealer's express warranty shall cover, at minimum, the following parts:

(1) with respect to the engine, all lubricated parts, intake manifolds, engine block, cylinder head, rotary engine housings, and ring gear;

(2) with respect to the transmission, the automatic transmission case, internal parts, and the torque converter; or, the manual transmission case, and internal parts;

(3) with respect to the drive axle, the axle housings and internal parts, axle shafts, drive shafts and output shafts, and universal joints; but excluding the secondary drive axle on vehicles, other than passenger vans, mounted on a truck chassis;

(4) with respect to the brakes, the master cylinder, vacuum assist booster, wheel cylinders, hydraulic lines and fittings, and disc brake calipers;

(5) with respect to the steering, the steering gear housing and all internal parts, power steering pump, valve body, and piston;

(6) the water pump;

(7) the externally-mounted mechanical fuel pump.

(e)(1) A dealer's obligations under the express warranty remain in effect

notwithstanding the fact that the warranty period has expired, if the consumer promptly notified the dealer of the malfunction, defect, or failure in the covered part within the specified warranty period and, within a reasonable time after notification, brings the vehicle or arranges with the dealer to have the vehicle brought to the dealer for inspection and repair.

(2) If a dealer does not have a repair facility, the dealer shall designate where the vehicle must be taken for inspection and repair.

(3) In the event the malfunction, defect, or failure in the covered part occurs at a location which makes it impossible or unreasonable to return the vehicle to the selling dealer, the consumer may have the repairs completed elsewhere with the consent of the selling dealer, which consent may not be unreasonably withheld.

(4) Notwithstanding the provisions of this paragraph, a consumer may have non-warranty maintenance and non-warranty repairs performed other than by the selling dealer and without the selling dealer's consent.

(f) Nothing in this section diminishes the obligations of a manufacturer under an express warranty issued by the manufacturer. The express warranties created by this section do not require a dealer to repair or replace a covered part if the repair or replacement is covered by a manufacturer's new car warranty, or the manufacturer otherwise agrees to repair or replace the part.

(g) The express warranties created by this section do not cover defects or repair problems which result from collision, abuse, negligence, or lack of adequate maintenance following sale to the consumer.

(h) The terms of the express warranty, including the duration of the warranty and the parts covered, must be fully, accurately, and conspicuously disclosed by the dealer on the front of the Buyers Guide.

Subd. 3. [EXCLUSIONS.] Notwithstanding the provisions of subdivision 2, a dealer is not required to provide an express warranty for the following used motor vehicles:

(1) vehicles sold for a total cash sale price of less than \$3,000, including the trade-in value of any vehicle traded in by the consumer, but excluding tax, license fees, registration fees, and finance charges;

(2) vehicles with engines designed to use diesel fuel;

(3) vehicles with gross weight, as defined in section 168.011, subdivision 16, in excess of 9,000 pounds;

(4) vehicles that have been custom-built or modified for show or for racing;

(5) vehicles that are eight years of age or older, as calculated from the first day in January of the designated model year of the vehicle;

(6) vehicles that have been produced by a manufacturer which has never manufactured more than 10,000 motor vehicles in any one year;

(7) vehicles having 75,000 miles or more at time of sale;

(8) vehicles that are not manufactured in compliance with applicable federal emission standards in force at the time of manufacture as provided by the Clean Air Act, United States Code, title 42, sections 7401 through 7642, and regulations adopted pursuant thereto, and safety standards as

provided by the National Traffic and Motor Safety Act, United States Code, title 15, sections 1381 through 1431, and regulations adopted pursuant thereto.

Subd. 4. [WAIVER.] When purchasing a used motor vehicle, a consumer may waive the express warranty for a covered part if:

(1) the dealer discloses in a clear and conspicuous typed or printed statement on the front of the Buyers Guide that the waived part contains a malfunction, defect, or repair problem; and

(2) the consumer circles this typed or printed statement and signs the Buyers Guide next to the circled statement.

Subd. 5. [WARRANTY AUTOMATIC.] If a dealer fails to give the express warranty required by this section, the dealer nevertheless is considered to have given the express warranty as a matter of law.

Subd. 6. ["BUYERS GUIDE" REQUIREMENTS.] In selling or offering to sell any used motor vehicle, and in providing the express warranty required by this section, a dealer shall comply in all respects with the Federal Trade Commission's "Used Motor Vehicle Trade Regulation Rule," Code of Federal Regulations, title 16, part 455.

Subd. 7. [HONORING OF EXPRESS WARRANTIES.] (a) In accordance with section 325G.19, subdivision 2, every express warranty in connection with the sale of a used motor vehicle must be honored by the dealer according to the terms of the express warranty.

(b) Following repair or replacement of a covered part, the dealer remains responsible under the express warranty for that covered part for one additional warranty period.

(c) By honoring the terms of the express warranty by repairing or replacing a covered part, the dealer does not create an additional implied warranty on any portion of the used motor vehicle.

(d) A dealer may limit the duration of implied warranties to the duration of the express warranty.

Subd. 8. [REFUNDS.] (a) A refund, as provided under subdivision 2, must consist of the full purchase price of the used motor vehicle and all other charges, including but not limited to excise tax, registration tax, license fees, and reimbursement for towing expenses incurred by the consumer as a result of the vehicle being out of service for warranty repair, less a reasonable allowance for the consumer's use of the vehicle not exceeding ten cents per mile driven or ten percent of the purchase price, whichever is less. Refunds must include the amount stated by the dealer as the trade-in value of any vehicle traded in and applied to the purchase price of the used motor vehicle. Refunds must be made to the consumer and lienholder, if any, as their interests appear on the records of the registrar of motor vehicles.

(b) The amount of the excise tax to be paid by the dealer to the consumer under paragraph (a) is the tax paid by the consumer when the vehicle was purchased less an amount equal to the tax paid multiplied by a fraction, the denominator of which is the purchase price of the vehicle and the numerator of which is the allowance deducted from the refund for the consumer's use of the vehicle.

Subd. 9. [CIVIL REMEDIES.] Any dealer who is found to have violated

this section is subject to the penalties and remedies, including a private right of action, as provided in section 8.31. In addition, a violation of subdivision 7 is also a violation of section 325F.69.

Subd. 10. [LIMITATION ON ACTIONS.] A private civil action brought by a consumer under this section must be commenced within one year of the expiration of the express warranty.

Subd. 11. [REMEDY NONEXCLUSIVE.] Nothing in this section limits the rights or remedies which are otherwise available to a consumer under any other law."

Delete the title and insert:

"A bill for an act relating to consumer protection; regulating sales of used motor vehicles under certain circumstances; regulating new and used motor vehicle dealer licenses; providing certain standards in applications for certificates of title; requiring certain disclosures upon the transfer of a motor vehicle; providing for refund of certain taxes; providing penalties; amending Minnesota Statutes 1986, sections 168.27, subdivisions 1, 2, 8, 10, 11, and by adding subdivisions; and 325E.0951, by adding a subdivision; Minnesota Statutes 1987 Supplement, section 297B.031; proposing coding for new law in Minnesota Statutes, chapters 168A and 325F."

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

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 1699: A bill for an act relating to Washington county; repealing a provision for county board expenses; repealing Laws 1965, chapter 524, as amended.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 1875: A bill for an act relating to the city of Minneapolis; authorizing contracts with labor organizations for the provision of certain skilled trade and craft services.

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

Page 2, line 10, delete "not"

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

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 1877: A bill for an act relating to counties; exempting the issuance of certain county bonds from the election requirement; authorizing county building fund levies; amending Minnesota Statutes 1986, sections 373.25, subdivision 1; 475.52, subdivision 3; and 475.58, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 373.

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

Page 2, line 5, after the first comma, insert "*health or social service facility.*"

Page 2, line 9, delete "*revenue*" and insert "*trade and economic development*"

Page 2, delete lines 10 and 11 and insert:

"(d) *Metropolitan county*" means a county located in the seven county metropolitan area as defined in section 473.121 or a county with a population of 90,000 or more."

Page 2, line 26, after "*section*" insert "*375.18 or*"

Page 2, line 28, after the period, insert "*In the case of a metropolitan county, the bonds must be approved by vote of at least two-thirds of the members of the county board.*"

Page 3, delete lines 9 and 10 and insert "*this paragraph do not apply to metropolitan counties.*"

Page 3, line 31, after "*and*" insert "*annual*"

Page 4, lines 11 and 21, delete "*two mills*" and insert "*one mill*"

Page 4, line 14, after the period, insert "*This section does not limit the authority to issue bonds under any other special or general law.*"

Page 4, line 20, after "(a)" insert "*If the county has an approved capital improvement plan,*"

Page 4, line 25, after "*the*" insert "*approved*"

Page 5, line 21, after the first comma, insert "*health or social service facilities.*"

Page 6, line 25, after "*sell*" insert "*not more than*"

Page 6, line 26, after "*construction*" insert "*and purchase*"

And when so amended the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Amendments adopted. Report adopted.

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

S.F. No. 1743: A bill for an act relating to agriculture; changing the continuing effect of certain farmer-lender mediation rules; repealing certain conflicting language relating to food handler license fees; amending Laws 1987, chapter 292, section 35; repealing Laws 1987, chapter 358, section 85.

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

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

S.F. No. 1651: A bill for an act relating to agriculture; creating a laboratory services account in the state treasury; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 17.

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

and be re-referred to the Committee on Finance. Report adopted.

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

S.F. No. 1593: A bill for an act relating to transportation; creating a transportation study board and prescribing its duties; appropriating money.

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

Page 3, line 22, after "[REPORT.]" insert "*The board shall make a preliminary report to the transportation committees of the senate and the house of representatives by January 15, 1989, which must detail the transportation issues that require immediate attention and provide a schedule of the board's activities.*"

Page 3, lines 24 and 28, delete "June 30" and insert "January 1"

And when so amended the bill do pass and be re-referred to the Committee on Governmental Operations. Amendments adopted. Report adopted.

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

S.F. No. 1587: A bill for an act relating to transportation; authorizing vending machines in certain highway rest areas, weigh stations, and tourist information centers; amending Minnesota Statutes 1986, section 160.28, subdivision 2.

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

Page 1, line 14, delete the new language and strike "for the purpose of"

Page 1, strike line 15

Page 1, line 16, strike "peanuts, cookies, or gum" and insert "*and primary trunk highways*"

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

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

S.F. No. 1218: A bill for an act relating to the office of the secretary of state; providing for the preservation of land surveys; establishing time for the permanent microfilming of the surveys; appropriating money; amending Minnesota Statutes 1986, section 5.03.

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

Page 1, delete section 1 and insert:

"Section 1. Minnesota Statutes 1986, section 5.03, is amended to read:
5.03 [CLERK OF GOVERNMENT SURVEYS.]

There is hereby created in the office of the secretary of state The position of clerk of government surveys and documents for the purpose of in the office of the secretary of state is responsible for receiving and for the safekeeping of all the records and archives of the office of United States

surveyor general for the state as soon as they shall be received from the commissioner of the general land office at Washington, D.C. The secretary of state shall maintain a microfilmed copy of government survey documents for public inspection. The original documents shall be preserved in a climate controlled environment provided by the Minnesota historical society and prescribed by the Minnesota historical society and the secretary of state. The documents shall be maintained so that they are available for public inspection.

Sec. 2. [DEADLINE.]

By July 1, 1990, the secretary of state shall microfilm all documents covered by section 5.03 and received by the secretary up to that time.

Page 1, line 26, delete "2" and insert "3"

Page 2, lines 4 and 8, delete "1989" and insert "1990"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

S.F. No. 1784: A bill for an act relating to state agencies; amending and repealing various statutes administered by the state board of investments; amending Minnesota Statutes 1986, sections 11A.17, subdivisions 1, 4, 9, 11, and 14; 11A.19, subdivision 4; and 352D.04, subdivision 1; Minnesota Statutes 1987 Supplement, sections 11A.24, subdivisions 4 and 6; 136.81, subdivision 3; and 353D.05, subdivision 2; repealing Minnesota Statutes 1986, section 11A.17, subdivisions 12 and 13.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 11A.17, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT PURPOSE.] ~~There is hereby established a~~ *The purpose of the supplemental investment fund for the purpose of providing is to provide* an investment vehicle for the assets of various public retirement plans and funds. ~~This~~ *The* fund shall consist ~~consists~~ of seven ~~six~~ investment accounts: an income share account, a growth share account, a ~~bond account~~, a money market account, a guaranteed return account, a bond market account, and a common stock index account. The supplemental investment fund ~~shall be~~ *is* a continuation of the supplemental retirement fund in existence on January 1, 1980.

Sec. 2. Minnesota Statutes 1986, section 11A.17, subdivision 4, is amended to read:

Subd. 4. [INVESTMENT.] The assets of the supplemental investment fund shall be invested by the state board subject to the provisions of section 11A.24; provided, however, that:

(1) the bond market account and the ~~bond~~ money market account shall be invested entirely in debt obligations;;

(2) the growth share account and the common stock index account may

be invested entirely in corporate stocks; and

(2) (3) the guaranteed return account may be invested entirely in guaranteed investment contracts; and

(3) the money market account shall be invested entirely in debt obligations maturing within three years.

Sec. 3. Minnesota Statutes 1986, section 11A.17, subdivision 9, is amended to read:

Subd. 9. [VALUATION OF INVESTMENT SHARES.] The value of investment shares in the income share account, the growth share account, the bond market account, and the common stock index account shall *must* be determined by dividing the total market value of the securities constituting the respective account by the total number of shares then outstanding in the investment account. The value of investment shares in the money market account and the guaranteed return account shall be ~~is~~ \$1 per a share. ~~The value of investment shares in the bond account shall be \$5 per share; provided, however, if the account shares are redeemed by a public retirement fund prior to the expiration of the multiyear period set by the board for the payment of the applicable assumed rate, the value of the investment shares shall be at market value.~~ Terms as to withdrawal schedules will be agreed upon by the public retirement fund and the state board.

Sec. 4. Minnesota Statutes 1986, section 11A.17, subdivision 11, is amended to read:

Subd. 11. [PROSPECTUS.] Annually, ~~on or before July 1 by July 2,~~ the state board shall prepare and shall issue a prospectus for the supplemental investment fund with separate exhibits for each investment account. The exhibit for each account shall ~~list for~~ *must include its investment objectives, asset allocation, and past investment performance. Upon request, the board shall provide a list of each security representing the current assets of the account in the fund and show* the following items, whichever are applicable:

- (1) The purchase price of the security;
- (2) The current market value of the security;
- (3) The current dividend or interest rate of the security;
- (4) The rating of a debt security issued by a nationally recognized rating agency if it is other than a security issued or guaranteed by the United States government.

~~The prospectus shall set forth the statutory provisions governing the supplemental investment fund.~~

~~The state board shall transmit~~ sufficient copies of the prospectus shall be transmitted to each public retirement plan or fund participating in the supplemental investment account to meet the plan or fund's distribution requirements. Ten copies of the prospectus shall *must* be filed with the director of the legislative reference library.

Sec. 5. Minnesota Statutes 1986, section 11A.17, subdivision 14, is amended to read:

Subd. 14. [PROCEDURES FOR DISTRIBUTION OF INCOME FOR MONEY MARKET ACCOUNT, BOND ACCOUNT, AND GUARANTEED RETURN ACCOUNT.] At the end of each fiscal year, and ~~as often~~ *as at other times that* the state board shall ~~in addition might~~ determine

appropriate, the state board shall determine the earnings of the money market account; ~~and the guaranteed return account; and the bond account.~~ ~~Notwithstanding the provisions of section 11A.12,~~ The earnings shall *must* be used to purchase additional shares in the respective accounts on behalf of each participating public retirement plan or fund.

Sec. 6. Minnesota Statutes 1986, section 11A.19, subdivision 4, is amended to read:

Subd. 4. [INVESTMENT.] The assets of the variable annuity investment fund shall *must* be invested by the state board subject to the provisions of section 11A.24 except that:

(a) (1) up to 100 percent of the book value may be invested in corporate stocks;

(b) (2) up to six percent of the book value may be invested in the stock of any one corporation;

(c) ~~Up to ten percent of the book value may be invested in corporate stocks which do not conform with the dividend standard provided for in section 11A.24, subdivision 5.~~

Sec. 7. Minnesota Statutes 1987 Supplement, section 11A.24, subdivision 4, is amended to read:

Subd. 4. [OTHER OBLIGATIONS.] (a) The state board may invest funds in bankers acceptances, certificates of deposit, commercial paper, mortgage participation certificates and pools, repurchase agreements and reverse repurchase agreements, guaranteed investment contracts, savings accounts, and guaranty fund certificates, surplus notes, or debentures of domestic mutual insurance companies if they conform to the following provisions:

(a) (1) bankers acceptances of United States banks shall ~~be~~ *are* limited to those issued by banks rated in the highest four quality categories by a nationally recognized rating agency;

(b) (2) certificates of deposit shall ~~be~~ *are* limited to those issued by United States banks and savings institutions that are rated in the highest four quality categories by a nationally recognized rating agency or whose certificates of deposit are fully insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation. ~~Sections 16A.58 and 16B.06 do not apply to certifications of deposit and collateralization agreements executed by the state board;~~

(c) (3) commercial paper shall ~~be~~ *is* limited to those issued by United States corporations or their Canadian subsidiaries ~~and shall be~~ rated in the highest two quality categories by a nationally recognized rating agency;

(d) (4) mortgage participation or pass through certificates evidencing interests in pools of first mortgages or trust deeds on improved real estate located in the United States where the loan to value ratio for each loan as calculated in accordance with section 61A.28, subdivision 3, does not exceed 80 percent for fully amortizable residential properties and in all other respects meets the requirements of section 61A.28, subdivision 3. ~~In addition, the state board may purchase from the Minnesota housing finance agency all or any part of any pool of residential mortgages, not in default, which has previously been financed by the issuance of bonds or notes of the agency. The state board may also enter into a commitment with the agency, at the time of any issue of bonds or notes, to purchase~~

at a specified future date, not exceeding 12 years from the date of the issue, the amount of mortgage loans then outstanding and not in default, which have been made or purchased from the proceeds of the bonds or notes. The state board may charge reasonable fees for any such commitment, and may agree to purchase the mortgage loans at a price such that the yield thereon to the state board will, in its judgment, be comparable to that available on similar mortgage loans at the date of the bonds or notes. The state board may also enter into agreements with the agency for the investment of any portion of the funds of the agency for such period, with such withdrawal privileges, and at such guaranteed rate of return, if any, as may be agreed between the state board and the agency;

(e) (5) collateral for repurchase agreements and reverse repurchase agreements shall be is limited to letters of credit and securities authorized in this section;

(f) (6) guaranteed investment contracts shall be are limited to those issued by insurance companies or banks rated in the top four quality categories by a nationally recognized rating agency;

(g) (7) savings accounts shall be are limited to those fully insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation.

(b) Sections 16A.58 and 16B.06 do not apply to certifications of deposit and collateralization agreements executed by the state board under paragraph (a), clause (2).

(c) In addition to investments authorized by paragraph (a), clause (4), the state board may purchase from the Minnesota housing finance agency all or any part of a pool of residential mortgages, not in default, that has previously been financed by the issuance of bonds or notes of the agency. The state board may also enter into a commitment with the agency, at the time of any issue of bonds or notes, to purchase at a specified future date, not exceeding 12 years from the date of the issue, the amount of mortgage loans then outstanding and not in default that have been made or purchased from the proceeds of the bonds or notes. The state board may charge reasonable fees for any such commitment and may agree to purchase the mortgage loans at a price sufficient to produce a yield to the state board comparable, in its judgment, to the yield available on similar mortgage loans at the date of the bonds or notes. The state board may also enter into agreements with the agency for the investment of any portion of the funds of the agency. The agreement must cover the period of the investment, withdrawal privileges, and any guaranteed rate of return.

Sec. 8. Minnesota Statutes 1987 Supplement, section 11A.24, subdivision 6, is amended to read:

Subd. 6. [OTHER INVESTMENTS.] (a) In addition to the investments authorized in subdivisions 1 to 5, and subject to the provisions in clause (b), the state board may invest funds in:

(1) Venture capital investment businesses through participation in limited partnerships and corporations;

(2) Real estate ownership interests or loans secured by mortgages or deeds of trust through investment in limited partnerships, bank sponsored collective funds, trusts, and insurance company commingled accounts, including separate accounts;

(3) Regional and mutual funds through bank sponsored collective funds and open-end investment companies registered under the Federal Investment Company Act of 1940;

(4) Resource investments through limited partnerships, private placements and corporations; ~~and~~

(5) Debt obligations not subject to subdivision 3; *and*

(6) *International securities.*

(b) The investments authorized in clause (a) ~~may only be made if they must~~ conform to the following provisions:

(1) The aggregate value of all investments made according to clause (a) ~~shall~~ may not exceed 35 percent of the market value of the fund for which the state board is investing;

(2) There ~~shall~~ must be at least four unrelated owners of the investment other than the state board for investments made under paragraph (a), clause (1), (2), (3), or (4);

(3) State board participation in an investment vehicle ~~shall be~~ is limited to 20 percent thereof for investments made under paragraph (a), clause (1), (2), (3), or (4); and

(4) State board participation in a limited partnership does not include a general partnership interest or other interest involving general liability. The state board ~~shall~~ may not engage in any activity as a limited partner which creates general liability.

Sec. 9. Minnesota Statutes 1987 Supplement, section 136.81, subdivision 3, is amended to read:

Subd. 3. (a) Each person described in section 136.80, subdivision 1, may elect to purchase shares in one or a combination of the income share account, the growth share account, the money market account, the bond market account, *the guaranteed return account*, or the common stock index account established in section 11A.17. The person may elect to participate in one or more of the investment accounts in the fund by specifying, on a form provided by the executive director of the teachers retirement fund, the percentage of salary deductions and state matching funds to be used to purchase shares in each of the accounts.

(b) Twice in any calendar year, ~~each~~ a person described in section 136.80, subdivision 1, may indicate in writing on forms provided by the teachers retirement association a choice of options for subsequent purchases of shares. After a choice is made, and until a different written indication is made, the executive director shall purchase shares in the supplemental fund as selected. A change in choice of investment ~~option~~ options is effective ~~no later than the first pay date that occurs 30 or more days after the first of the month following~~ receipt of the request for a change.

(c) *One month before the start of a new guaranteed investment contract, a person described in section 136.80, subdivision 1, may elect to transfer all or a portion of the participant's shares previously purchased in the income share, growth share, common stock index, bond market, or money market accounts to the new guaranteed investment contract in the guaranteed return account. If a partial transfer is made, a minimum of \$1,000 must be transferred and a minimum balance of \$1,000 must remain in the previously selected investment options. Upon expiration of a guaranteed*

investment contract, the participant's shares attributable to that contract must be transferred to a new guaranteed investment contract unless the executive director is otherwise directed by the participant. Shares in the guaranteed return account may not be withdrawn from the fund or transferred to another account until the guaranteed investment contract has expired, unless the participant qualifies for redemption of shares under section 136.82, subdivisions 1 and 2.

(d) Twice in any calendar year a person described in section 136.80, subdivision 1, may also change the investment options selected for all or a portion of the person's shares previously purchased in accounts other than the guaranteed return account. If a partial transfer is made, a minimum of \$1,000 must be transferred and a minimum balance of \$1,000 must remain in the previously selected investment option. Before January 1, 1989, a change is restricted to a transfer from one or more accounts to a single account. Changes in investment options for the person's shares must be effected the first of the month following the receipt of a request for a change or as soon as cash flow to an account practically permits but not provided all changes are made no later than six months after the requested change receipt of a request.

(e) If a person fails to indicate a choice as provided herein in this section, the executive director of the teachers retirement fund shall purchase shares in the income account of the Minnesota supplemental retirement investment fund for the coming year until a different written indication is made by the person. The shares so purchased shall must stand in the name of the board of trustees of the teachers retirement fund, but a record shall must be kept indicating the number of shares in each account of the Minnesota supplemental retirement investment fund purchased with the salary deductions and state matching funds attributable to the salary deductions of each person. The record shall be is known as the "employee's share account record." The employee's share account record shall must show, in addition to the number of shares therein in the account, any cash balance of salary deductions or state matching funds attributable to those deductions which that stands uninvested in shares.

Sec. 10. Minnesota Statutes 1986, section 352D.04, subdivision 1, is amended to read:

Subdivision 1. (a) An employee exercising an option to participate in the retirement program provided by this chapter may elect to purchase shares in one or a combination of the income share account, the growth share account, the money market account, the bond market account, the guaranteed return account, or the common stock index account established in section 11A.17. The employee may elect to participate in one or more of the investment accounts in the fund by specifying, on a form provided by the executive director, the percentage of the employee's contributions provided in subdivision 2 to be used to purchase shares in each of the accounts.

(b) Twice in any calendar year, each a participant may indicate in writing on forms provided by the Minnesota state retirement system a choice of options for subsequent purchases of shares. Thereafter Until a different written indication is made by such the participant, the executive director shall purchase shares in the supplemental fund as selected by the participant. If no initial option is chosen, 100 percent income shares shall must be purchased for a participant. A change in choice of investment option shall be is effective no later than the first pay date first occurring after 30

days following the receipt of the request for a change.

(c) *One month before the start of a new guaranteed investment contract, a participant or former participant may elect to transfer all or a portion of the participant's shares previously purchased in the income share, growth share, common stock index, bond market, or money market accounts to the new guaranteed investment contract in the guaranteed return account. If a partial transfer is made, a minimum of \$1,000 must be transferred and a minimum balance of \$1,000 must remain in the previously selected investment options. Upon expiration of a guaranteed investment contract, the participant's shares attributable to that contract must be transferred to a new guaranteed investment contract unless the executive director is otherwise directed by the participant. Shares in the guaranteed return account may not be withdrawn from the fund or transferred to another account until the guaranteed investment contract has expired, unless the participant qualifies for withdrawal under section 352D.05 or for benefit payments under sections 352D.06 to 352D.075.*

(d) *Twice in any calendar year a participant or former participant may also change the investment options selected for all or a portion of the participant's shares previously purchased in accounts other than the guaranteed return account. However, if a partial transfer is made a minimum of \$1,000 must be transferred and a minimum balance of \$1,000 must remain in the previously selected investment option. A change is restricted to a transfer from one or more accounts to a single account. Changes in investment options for the participant's shares shall must be effected as soon as cash flow to an account practically permits, but not later than six months after the requested change.*

Sec. 11. Minnesota Statutes 1987 Supplement, section 353D.05, subdivision 2, is amended to read:

Subd. 2. [INVESTMENT OPTIONS.] (a) An individual participant may elect to purchase shares in the income share account, the growth share account, the money market account, the bond market account, the guaranteed return account, or the common stock index account established by section 11A.17, or a combination of those accounts. The participant may elect to purchase shares in a combination of those accounts by specifying the percentage of contributions to be used to purchase shares in each of the accounts.

(b) *Twice in a calendar year, a participant may indicate in writing a choice of options for subsequent purchases of shares. Thereafter, Until the participant makes a different written indication, the executive director of the association shall purchase shares in the supplemental investment fund or funds specified by the participant. If no initial option is indicated by a participant, the executive director shall invest all contributions made by or on behalf of a participant in the income share account. A choice of investment options is effective no later than the first pay date first occurring more than 30 days after receipt of the written choice of options.*

(c) *One month before the start of a new guaranteed investment contract, a participant may elect to transfer all or a portion of the participant's shares previously purchased in the income share, growth share, common stock index, bond market, or money market accounts to the new guaranteed investment contract in the guaranteed return account. If a partial transfer is made, a minimum of \$500 must be transferred and a minimum balance of \$500 must remain in the previously selected investment options. Upon*

expiration of a guaranteed investment contract, the participant's shares attributable to that contract must be transferred to a new guaranteed investment contract unless the executive director is otherwise directed by the participant. Shares in the guaranteed return account may not be withdrawn from the fund or transferred to another account until the guaranteed investment contract has expired, unless the participant qualifies for a benefit payment under section 353D.07.

(d) Twice in a calendar year, a participant or former participant may also change the investment options selected for all or a portion of the individual's previously purchased shares in accounts other than the guaranteed return account. If a partial transfer of previously purchased shares is selected, a minimum of \$500 must be transferred and a minimum balance of \$500 must remain in the previously selected investment option. A change may be made only from one account or a combination of accounts to a single account. A change under this paragraph is effective as soon as cash flow to an account permits, but not later than six months from the requested change.

Sec. 12. [REPEALER.]

Minnesota Statutes 1986, section 11A.17, subdivisions 12 and 13, are repealed.

Sec. 13. [EFFECTIVE DATES.]

Sections 1 to 8 and 12 are effective the day following final enactment. Section 9 is effective the day following final enactment except that contributions or transfers to the guaranteed return account may not be made before November 1, 1989. Sections 10 and 11 are effective the day following final enactment except that contributions or transfers to the guaranteed return account may not be made before November 1, 1988."

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

Mr. Dicklich from the Committee on Public Utilities and Energy, to which was referred

S.F. No. 1819: A bill for an act relating to housing; landlord and tenant; providing for tenant's remedies for failure of owner to repair premises; authorizing tenants in single-metered residential buildings to pay for gas and electric utilities and deduct the payments from rent due; providing a procedure for actions involving nonpayment of rent; providing penalties; amending Minnesota Statutes 1986, section 566.28; proposing coding for new law in Minnesota Statutes, chapters 504 and 506.

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

Page 3, line 24, after the period, insert "*If the utility discovers that there is a single-metered residential building, the utility must place the billing or account in the name of the landlord.*"

And when so amended the bill do pass and be re-referred to the Committee on Economic Development and Housing. Amendments adopted. Report adopted.

Mr. Dicklich from the Committee on Public Utilities and Energy, to which was referred

S.F. No. 1840: A bill for an act relating to telephones; combining local telephone service surcharges for emergency telephone service, telephone access for hearing impaired, and the telephone assistance plan into one surcharge; requiring the department of administration to separate the surcharges and administer the three separate accounts; adding low-income disabled persons to those eligible for the telephone assistance plan; clarifying eligibility for telephone assistance; clarifying administrative functions of and reimbursements to state agencies and telephone companies; amending Minnesota Statutes 1987 Supplement, sections 237.69, subdivision 6, and by adding subdivisions; and 237.70, subdivisions 3, 4, and 7; Laws 1987, chapter 340, section 17; proposing coding for new law in Minnesota Statutes, chapter 237; repealing Minnesota Statutes 1987 Supplement, section 237.72.

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

Page 1, line 24, delete "911/T.A.C.I.P./T.A.P." and insert "State Programs"

Page 1, line 29, after the period, insert "A telephone company may choose to remit the appropriate amount as required in this section without assessing the surcharge on individual subscribers."

Page 3, lines 25 and 26, delete "and provide to the telephone companies"

Page 5, lines 20 and 24, after "department" insert "of public service"

Page 6, after line 26, insert:

"Sec. 10. [EMERGENCY RULES.]

The public utilities commission may adopt emergency rules to implement sections 2 to 9."

Page 6, line 31, delete "10" and insert "11"

Renumber the sections in sequence

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

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

S.F. No. 1564: A bill for an act relating to traffic regulations; regulating the operation of motorized bicycles; amending Minnesota Statutes 1987 Supplement, section 169.223.

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

Page 1, line 14, delete "during daytime hours" and insert "when section 169.48 would not require vehicle headlights to be lighted"

Page 2, line 1, strike everything after "2."

Page 2, strike line 2

Page 2, line 3, strike "section 160.263."

Page 2, line 12, before the semicolon, insert ", if the motorized bicycle is equipped with a seat and foot rests for a second passenger"

Page 2, lines 28 to 30, reinstate the stricken language and delete the new language

Page 2, line 33, strike everything after "5."

Page 2, strike lines 34 to 36

Page 3, strike lines 1 to 4

Page 3, line 5, strike everything before "This" and insert "(a) A person operating a motorized bicycle on a roadway shall ride as close as practicable to the right-hand curb or edge of the roadway except in one of the following situations:

(i) when overtaking and passing another vehicle proceeding in the same direction;

(ii) when preparing for a left turn at an intersection or into a private road or driveway; or

(iii) when reasonably necessary to avoid conditions, including fixed or moving objects, vehicles, pedestrians, animals, surface hazards, or narrow width lanes, that make it unsafe to continue along the right-hand curb or edge.

(b) Persons operating motorized bicycles on a roadway may not ride more than two abreast and may not impede the normal and reasonable movement of traffic. On a laned roadway, a person operating a motorized bicycle shall ride within a single lane.

(c)"

Page 3, line 6, strike "bikeway or other lane" and insert "bicycle path or bicycle lane"

Page 3, after line 7, insert:

"Sec. 2. [OPERATION WITHOUT LIGHTED HEADLIGHTS.]

Notwithstanding Minnesota Statutes, section 169.223, subdivision 4, a motorized bicycle may be operated without a lighted headlight except when lights would be required by section 169.48.

Sec. 3. [REPEALER.]

Section 2 is repealed.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 and 2 are effective the day following final enactment. Section 3 is effective December 31, 1989."

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

Mr. Solon from the Committee on Commerce, to which was referred.

S.F. No. 1708: A bill for an act relating to credit unions; permitting managers to be directors; providing conditions for the expulsion of members; amending Minnesota Statutes 1986, sections 52.08; and 52.19.

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

Page 2, line 5, after "policy" insert "adopted"

Page 2, delete line 24

Page 2, line 25, delete "(2)" and insert "(1)" and after the semicolon, insert "or"

Page 2, delete line 26

Page 2, line 27, delete "(4)" and insert "(2)"

Page 2, lines 29 and 32, delete "shall" and insert "must"

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

Mr. Solon from the Committee on Commerce, to which was referred

H.F. No. 464: A bill for an act relating to insurance; accident and health; increasing the maximum lifetime benefit for major medical coverage; amending Minnesota Statutes 1986, sections 62E.04, subdivision 4; and 62E.06, subdivision 1.

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

Pages 1 to 4, delete section 2 and insert:

"Sec. 2. Minnesota Statutes 1987 Supplement, section 62E.06, subdivision 1, is amended to read:

Subdivision 1. [NUMBER THREE PLAN.] A plan of health coverage shall be certified as a number three qualified plan if it otherwise meets the requirements established by chapters 62A and 62C, and the other laws of this state, whether or not the policy is issued in Minnesota, and meets or exceeds the following minimum standards:

(a) The minimum benefits for a covered individual shall, subject to the other provisions of this subdivision, be equal to at least 80 percent of the cost of covered services in excess of an annual deductible which does not exceed \$150 per person. The coverage shall include a limitation of \$3,000 per person on total annual out-of-pocket expenses for services covered under this subdivision. The coverage shall be subject to a maximum lifetime benefit of not less than ~~\$250,000~~ \$500,000.

The \$3,000 limitation on total annual out-of-pocket expenses and the ~~\$250,000~~ \$500,000 maximum lifetime benefit shall not be subject to change or substitution by use of an actuarially equivalent benefit.

(b) Covered expenses shall be the usual and customary charges for the following services and articles when prescribed by a physician:

- (1) hospital services;
- (2) professional services for the diagnosis or treatment of injuries, illnesses, or conditions, other than dental, which are rendered by a physician or at the physician's direction;
- (3) drugs requiring a physician's prescription;
- (4) services of a nursing home for not more than 120 days in a year if the services would qualify as reimbursable services under Medicare;
- (5) services of a home health agency if the services would qualify as reimbursable services under Medicare;

- (6) use of radium or other radioactive materials;
- (7) oxygen;
- (8) anesthetics;
- (9) prostheses other than dental but including scalp hair prostheses worn for hair loss suffered as a result of alopecia areata;
- (10) rental or purchase, as appropriate, of durable medical equipment other than eyeglasses and hearing aids;
- (11) diagnostic X-rays and laboratory tests;
- (12) oral surgery for partially or completely unerupted impacted teeth, a tooth root without the extraction of the entire tooth, or the gums and tissues of the mouth when not performed in connection with the extraction or repair of teeth;
- (13) services of a physical therapist;
- (14) transportation provided by licensed ambulance service to the nearest facility qualified to treat the condition; or a reasonable mileage rate for transportation to a kidney dialysis center for treatment; and
- (15) services of an occupational therapist.

(c) Covered expenses for the services and articles specified in this subdivision do not include the following:

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

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

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

(4) any charge for confinement in a private room to the extent it is in excess of the institution's charge for its most common semiprivate room, unless a private room is prescribed as medically necessary by a physician, provided, however, that if the institution does not have semiprivate rooms, its most common semiprivate room charge shall be considered to be 90 percent of its lowest private room charge;

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

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

(d) The minimum benefits for a qualified plan shall include, in addition to those benefits specified in clauses (a) and (e), benefits for well baby care, effective July 1, 1980, subject to applicable deductibles, coinsurance provisions, and maximum lifetime benefit limitations.

(e) Effective July 1, 1979, the minimum benefits of a qualified plan shall include, in addition to those benefits specified in clause (a), a second opinion from a physician on all surgical procedures expected to cost a total of \$500 or more in physician, laboratory and hospital fees, provided that the coverage need not include the repetition of any diagnostic tests.

(f) Effective August 1, 1985, the minimum benefits of a qualified plan must include, in addition to the benefits specified in clauses (a), (d), and (e), coverage for special dietary treatment for phenylketonuria when recommended by a physician.

(g) Outpatient mental health coverage is subject to section 62A.152, subdivision 2."

Amend the title as follows:

Page 1, line 4, delete "sections" and insert "section"

Page 1, line 5, after "and" insert "Minnesota Statutes 1987 Supplement, section"

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

Mr. Solon from the Committee on Commerce, to which was referred

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

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

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

S.F. No. 1786: A bill for an act relating to agriculture; clarifying and imposing penalties for violations related to diseased animals under the jurisdiction of the board of animal health; authorizing inspection upon notice; authorizing enforcement of violations; authorizing civil judicial enforcement actions; authorizing administrative remedies for violations; imposing civil and criminal penalties; amending Minnesota Statutes 1986, sections 35.15, subdivision 2; 35.245, subdivision 5; 35.80; 35.82, subdivision 2; and 35.830; Minnesota Statutes 1987 Supplement, section 35.68; proposing coding for new law in Minnesota Statutes, chapter 35; repealing Minnesota Statutes 1986, sections 35.069; 35.70; 35.71, subdivision 8; and 35.72, subdivision 6.

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

Page 2, line 15, before "Action" insert "An"

Page 7, line 4, before the period, insert "and may authorize the executive secretary to act in the board's behalf"

Page 7, line 14, after "attorney" insert "refuses to prosecute"

Page 7, line 15, delete "*appropriate*" and insert "*a violation is under the jurisdiction of a city attorney*"

Page 9, line 3, delete "*day of*"

Page 10, line 20, after "*control*" insert "*, a rule of the board under section 35.245,*"

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

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

S.F. No. 1823: A bill for an act relating to water; amending the Minnesota watershed act by adding reasons for termination of a watershed district and deleting the requirement for a bond; amending Minnesota Statutes 1987 Supplement, section 112.411, subdivision 4; repealing Minnesota Statutes 1987 Supplement, section 112.411, subdivision 3.

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

Page 2, delete section 2

Amend the title as follows:

Page 1, line 4, delete "and deleting the requirement for a bond"

Page 1, line 6, delete "; repealing Minnesota Statutes" and insert a period

Page 1, delete line 7

And when so amended the bill do pass and be re-referred to the Committee on Environment and Natural Resources. Amendments adopted. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred the following appointment as reported in the Journal for March 12, 1987:

DEPARTMENT OF COMMERCE
COMMISSIONER

Mike Hatch

Reports the same back with the recommendation that the appointment be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

SECOND READING OF SENATE BILLS

S.F. Nos. 1646, 1768, 1699, 1875, 1743, 1587, 1784, 1840, 1564, 1708, 203 and 1786 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 85 and 464 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Merriam moved that the name of Ms. Piper be added as a co-author to S.F. No. 308. The motion prevailed.

Ms. Peterson, D.C. moved that her name be stricken as chief author, shown as a co-author, and the name of Mr. Pogemiller be shown as chief author to S.F. No. 1608. The motion prevailed.

Mr. Peterson, R.W. moved that the name of Mr. Frank be added as a co-author to S.F. No. 1613. The motion prevailed.

Ms. Peterson, D.C. moved that the name of Mr. Peterson, R.W. be added as a co-author to S.F. No. 1729. The motion prevailed.

Mr. Merriam moved that the name of Mr. Novak be added as a co-author to S.F. No. 1735. The motion prevailed.

Mr. Purfeerst moved that the name of Mr. Marty be added as a co-author to S.F. No. 1816. The motion prevailed.

Mr. Samuelson moved that the name of Mr. Anderson be added as a co-author to S.F. No. 1823. The motion prevailed.

Mr. Solon moved that the name of Mr. Gustafson be added as a co-author to S.F. No. 1836. The motion prevailed.

Mr. Frederickson, D.J. moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 1849. The motion prevailed.

Mr. Solon moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 1853. The motion prevailed.

Mrs. Lantry moved that the name of Mr. Dahl be added as a co-author to S.F. No. 1857. The motion prevailed.

Mr. Ramstad moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 1871. The motion prevailed.

Mr. Frank moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 1887. The motion prevailed.

Ms. Reichgott moved that the name of Mr. Dahl be added as a co-author to S.F. No. 1892. The motion prevailed.

Mr. Schmitz moved that his name be stricken as chief author and the name of Mrs. Adkins be added as chief author to S.F. No. 1900. The motion prevailed.

Mr. Peterson, R.W. moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 1911. The motion prevailed.

Ms. Peterson, D.C. moved that the name of Mr. Frank be added as a co-author to S.F. No. 1913. The motion prevailed.

Mr. Spear moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 1920. The motion prevailed.

Mr. Dicklich moved that the name of Mr. Solon be added as a co-author to S.F. No. 1926. The motion prevailed.

Mr. Morse moved that the name of Mr. Dahl be added as a co-author to S.F. No. 1928. The motion prevailed.

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

to S.F. No. 1937. The motion prevailed.

Mrs. Lantry moved that the name of Mr. Marty be added as a co-author to S.F. No. 1958. The motion prevailed.

Mr. Frank moved that the name of Mr. Novak be added as a co-author to S.F. No. 1962. The motion prevailed.

Mr. Purfeerst moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 1967. The motion prevailed.

Ms. Peterson, D.C. moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 1979. The motion prevailed.

Mr. DeCramer moved that the name of Mr. Vickerman be added as a co-author to S.F. No. 1985. The motion prevailed.

Mr. Davis moved that the name of Mr. Renneke be added as a co-author to S.F. No. 1996. The motion prevailed.

Mr. Davis moved that the name of Mr. Stumpf be added as a co-author to S.F. No. 1997. The motion prevailed.

Mr. Moe, D.M. moved that the name of Mr. Knaak be added as a co-author to S.F. No. 1999. The motion prevailed.

Mr. Moe, R.D. moved that the names of Messrs. Lessard, Novak, Merriam and Frederickson, D.R. be added as co-authors to S.F. No. 2000. The motion prevailed.

Mr. Moe, D.M. moved that the name of Mr. Anderson be added as a co-author to S.F. No. 2002. The motion prevailed.

Mr. Vickerman moved that the name of Mr. Anderson be added as a co-author to S.F. No. 2005. The motion prevailed.

Ms. Berglin moved that the name of Ms. Reichgott be added as a co-author to S.F. No. 2009. The motion prevailed.

Mr. Vickerman moved that the name of Mr. Morse be added as a co-author to S.F. No. 2012. The motion prevailed.

Mr. Marty moved that the name of Mr. Merriam be added as a co-author to S.F. No. 2014. The motion prevailed.

Mr. Freeman moved that the name of Mrs. McQuaid be added as a co-author to S.F. No. 2025. The motion prevailed.

Messrs. Ramstad and Jude introduced—

Senate Resolution No. 113: A Senate resolution congratulating the Trojets Danceline from Wayzata High School for winning the 1988 State Class AAA Danceline Competition.

Referred to the Committee on Rules and Administration.

Mr. Dicklich moved that S.F. No. 1840 on General Orders, be stricken and re-referred to the Committee on Finance. The motion prevailed.

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

Senate Concurrent Resolution No. 11: A Senate concurrent resolution providing session deadline dates for the legislature pursuant to Joint Rule 2.03.

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

CALENDAR

S.F. No. 1643: A bill for an act relating to crimes; child abuse; eliminating the need to show emotional harm in proving unreasonable restraint or malicious punishment of a child; amending Minnesota Statutes 1986, sections 609.255, subdivision 3; and 609.377.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 1574: A bill for an act relating to real property; mandating that city of Savage is owner in fee simple of title to certain land.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Hughes in the chair.

After some time spent therein, the committee arose, and Mr. Hughes reported that the committee had considered the following:

S.F. Nos. 1710, 1711 and 1608, which the committee recommends to pass.

S.F. No. 1594, which the committee recommends to pass with the following amendment offered by Mr. Knaak:

Page 8, after line 26, insert:

“Sec. 12. [EFFECTIVE DATE.]

Section 6 is effective January 1, 1989.”

The motion prevailed. So the amendment was adopted.

S.F. No. 1694, which the committee recommends to pass with the following amendment offered by Ms. Reichgott:

Page 2, line 11, after “to” insert “not more than” and delete the second “and” and insert “or”

Page 2, line 12, after “of” insert “not more than”

The motion prevailed. So the amendment was adopted.

S.F. No. 1644, which the committee recommends to pass with the following amendment offered by Mr. Marty:

Page 7, lines 22 and 23, reinstate the stricken language

Page 7, line 24, reinstate the stricken “allowance”

The motion prevailed. So the amendment was adopted.

On motion of Mr. Moe, R.D., the report of the Committee of the Whole, as kept by the Secretary, was adopted.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Messrs. Samuelson and Vickerman introduced—

S.F. No. 2026: A bill for an act relating to human services; requiring the commissioner of health and human services to study and recommend changes in law; requiring coordinated laws affecting services for persons with mental retardation and other related conditions; appropriating money.

Referred to the Committee on Health and Human Services.

Mr. Diessner introduced—

S.F. No. 2027: A bill for an act relating to workers' compensation; requiring certain provisions in labor agreements; proposing coding for new law in Minnesota Statutes, chapter 176.

Referred to the Committee on Employment.

Mr. Diessner introduced—

S.F. No. 2028: A bill for an act relating to workers' compensation; providing compensation for the loss of certain fringe benefits; amending Minnesota Statutes 1986, section 176.101, by adding a subdivision.

Referred to the Committee on Employment.

Mr. Diessner introduced—

S.F. No. 2029: A bill for an act relating to workers' compensation; regulating benefit discontinuations; amending Minnesota Statutes 1987 Supplement, section 176.238, subdivisions 1, 5, and 7; repealing Minnesota Statutes 1987 Supplement, sections 176.238, subdivision 2, 3, and 5; and 176.239.

Referred to the Committee on Employment.

Mr. Diessner introduced—

S.F. No. 2030: A bill for an act relating to workers' compensation; regulating the payment of temporary total benefits; amending Minnesota Statutes 1986, section 176.101, subdivisions 1, 3e, 3f, 3j, 3l, 3o, and 3p.

Referred to the Committee on Employment.

Mr. Diessner introduced—

S.F. No. 2031: A bill for an act relating to workers' compensation; requiring the department of labor and industry to provide counsel in certain instances; amending Minnesota Statutes 1986, section 176.261.

Referred to the Committee on Employment.

Mr. Diessner introduced—

S.F. No. 2032: A bill for an act relating to workers' compensation; providing for review of rehabilitation plans; amending Minnesota Statutes 1986, section 176.102, subdivision 7.

Referred to the Committee on Employment.

Messrs. Gustafson and Solon introduced—

S.F. No. 2033: A bill for an act relating to intoxicating liquor; exempting new municipal liquor stores from vote on discontinuance for failure to show a profit; amending Minnesota Statutes 1986, section 340A.602.

Referred to the Committee on Commerce.

Messrs. Benson, Decker, Renneke, Ms. Olson and Mr. Larson introduced—

S.F. No. 2034: A bill for an act relating to taxation; income; providing a credit for long-term care policy premiums; appropriating money; amending Minnesota Statutes 1986, section 290.06, by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

Mr. DeCramer introduced—

S.F. No. 2035: A bill for an act relating to snowmobiles; requiring payment of the sales and use tax before registration; amending Minnesota Statutes 1986, section 84.82, by adding subdivisions.

Referred to the Committee on Environment and Natural Resources.

Messrs. DeCramer and Pehler introduced—

S.F. No. 2036: A bill for an act relating to education; appropriating money for a history center at Southwest State University and St. Cloud State University.

Referred to the Committee on Finance.

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

S.F. No. 2037: A bill for an act relating to education; creating disparity reduction revenue; authorizing a levy; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 124A.

Referred to the Committee on Education.

Mr. DeCramer introduced—

S.F. No. 2038: A bill for an act relating to retirement; state university and community college supplemental plan; authorizing a deduction for administrative expenses; deleting the age minimum for withdrawal of shares; permitting the boards to act through designees in authorizing accelerated withdrawals; amending Minnesota Statutes 1986, section 136.81, by adding a subdivision; Minnesota Statutes 1987 Supplement, section 136.82, subdivisions 1 and 2.

Referred to the Committee on Governmental Operations.

Messrs. Freeman, Knutson, Pogemiller, Chmielewski and Dicklich introduced—

S.F. No. 2039: A bill for an act relating to employment; regulating youth employment programs; providing for compensation at the state or federal minimum wage; regulating employment contracts; amending Minnesota Statutes 1986, sections 268.31, 268.32, and 268.34.

Referred to the Committee on Employment.

Mr. Chmielewski introduced—

S.F. No. 2040: A bill for an act relating to state government; regulating the deadline for job applications with the state; proposing coding for new law in Minnesota Statutes, chapter 43A.

Referred to the Committee on Governmental Operations.

Mr. Renneke introduced—

S.F. No. 2041: A bill for an act relating to agriculture; shifting the responsibility for eradication of purple loosestrife in certain public waters and wetlands; amending Minnesota Statutes 1986, section 18.191.

Referred to the Committee on Environment and Natural Resources.

Mr. Renneke introduced—

S.F. No. 2042: A bill for an act relating to agriculture; appropriating money for purple loosestrife eradication grants.

Referred to the Committee on Environment and Natural Resources.

Messrs. Dahl, Ramstad and DeCramer introduced—

S.F. No. 2043: A bill for an act relating to education; conditioning University of Minnesota appropriations on having a financial audit done.

Referred to the Committee on Education.

Mr. DeCramer introduced—

S.F. No. 2044: A bill for an act relating to education; clarifying one membership requirement for the board of teaching; amending Minnesota Statutes 1986, section 125.183, subdivision 3.

Referred to the Committee on Education.

Messrs. Stumpf, Dicklich, Langseth, Ramstad and Pogemiller introduced—

S.F. No. 2045: A bill for an act relating to education; reinstating a capital expenditure levy for leasing buildings; amending Minnesota Statutes 1986, section 275.125, by adding a subdivision.

Referred to the Committee on Education.

Mr. Vickerman introduced—

S.F. No. 2046: A bill for an act relating to the city of Westbrook; permitting the city to expend city funds for a private hospital.

Referred to the Committee on Local and Urban Government.

Mrs. McQuaid introduced—

S.F. No. 2047: A bill for an act relating to education; making changes in the training and experience revenue and the minimum allowance aid formulas; amending Minnesota Statutes 1987 Supplement, sections 124A.22, subdivision 4; and 124A.25, subdivision 2.

Referred to the Committee on Education.

Messrs. Benson; Frederickson, D.R.; Renneke; Larson and Johnson, D.E. introduced—

S.F. No. 2048: A bill for an act relating to taxation; income; excluding certain volunteer firefighters lump sum distributions; amending Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19b.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Knaak, Storm, Knutson and Larson introduced—

S.F. No. 2049: A bill for an act relating to taxation; property tax refunds; restoring the full amount for 1986 claims with interest; removing the appropriation limit for 1987 claims; appropriating money; repealing Laws 1987, chapter 268, article 3, section 12.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Knaak, Storm, Knutson and Larson introduced—

S.F. No. 2050: A bill for an act relating to taxation; income; allowing a subtraction over three years for previously taxed retirement contributions; amending Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19b; proposing coding for new law in Minnesota Statutes, chapter 290.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Wegscheid, Decker, Taylor, DeCramer and Morse introduced—

S.F. No. 2051: A bill for an act relating to retirement; increasing the rate of deferred annuity augmentation for major public retirement funds; amending Minnesota Statutes 1986, section 353.71, subdivision 2; Minnesota Statutes 1987 Supplement, sections 352.72, subdivision 2; 352B.30, subdivision 2; and 354.55, subdivision 11.

Referred to the Committee on Governmental Operations.

Messrs. Wegscheid, Decker, Taylor, DeCramer and Morse introduced—

S.F. No. 2052: A bill for an act relating to retirement; increasing the formula percentage for the first ten years of service in major public retirement plans; amending Minnesota Statutes 1986, sections 353.29, subdivision 3; 354.44, subdivisions 6 and 7; and 354A.31, subdivision 4; and Minnesota Statutes 1987 Supplement, section 352.115, subdivision 3.

Referred to the Committee on Governmental Operations.

Mr. Wegscheid introduced—

S.F. No. 2053: A bill for an act relating to environment; requiring the pollution control agency to reimburse small business operators who render waste nonhazardous; requiring rulemaking; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 115A.

Referred to the Committee on Environment and Natural Resources.

Mr. Marty and Ms. Peterson, D.C. introduced—

S.F. No. 2054: A bill for an act relating to employment; prohibiting employer reprisals against employees who decline to participate in charitable fund drives; proposing coding for new law in Minnesota Statutes, chapter 181.

Referred to the Committee on Employment.

Mses. Berglin; Peterson, D.C.; Messrs. Diessner, Brandl and Storm introduced—

S.F. No. 2055: A bill for an act relating to human services; defining terms; requiring that court receive annual reviews of people with indeterminate commitments; providing for court-ordered community-based non-residential treatment; defining procedures for community-based nonresidential commitment; requiring procedures for release before commitment and provisional discharge; ensuring insurance coverage for court-ordered treatment; amending Minnesota Statutes 1986, sections 253B.02, subdivisions 13, 19, and by adding subdivisions; 253B.03, subdivision 5; 253B.09, subdivision 1; 253B.15, subdivisions 1, 3, 5, 6, 7, and by adding a subdivision; and 253B.16, subdivision 1; Minnesota Statutes 1987 Supplement, sections 62A.152, subdivision 2; and 62D.102; proposing coding for new law in Minnesota Statutes, chapter 253B; repealing Minnesota Statutes 1986, section 253B.09, subdivision 4.

Referred to the Committee on Judiciary.

Messrs. Storm; Johnson, D.E.; Frederickson, D.R. and Larson introduced—

S.F. No. 2056: A bill for an act relating to taxation; repealing the law providing for a contingent tax increase upon forecast of a revenue shortfall; repealing Laws 1987, chapter 268, article 18, section 5.

Referred to the Committee on Taxes and Tax Laws.

Mr. Spear, Ms. Peterson, D.C.; Messrs. Purfeerst, Metzen and Anderson introduced—

S.F. No. 2057: A bill for an act relating to financial institutions; authorizing state banks to engage in certain securities activities; permitting state banks to invest in certain corporations and to establish subsidiaries under certain circumstances; authorizing the commissioner to adopt rules and issue orders regarding activities of banks and bank subsidiaries; amending Minnesota Statutes 1986, sections 48.15, by adding a subdivision; and 48.61, by adding a subdivision.

Referred to the Committee on Commerce.

Messrs. Knaak, Anderson, Renneke and Mehrkens introduced—

S.F. No. 2058: A bill for an act relating to taxation; repealing the law providing for a contingent tax increase upon forecast of a revenue shortfall; repealing Laws 1987, chapter 268, article 18, section 5.

Referred to the Committee on Taxes and Tax Laws.

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

S.F. No. 2059: A bill for an act relating to state agencies; amending, enacting and repealing certain laws administered by the department of administration; appropriating money; amending Minnesota Statutes 1986, sections 16A.41, subdivision 1; 16B.07, subdivisions 2 and 3; 16B.08, subdivision 4; 16B.09, subdivision 3; 16B.28; 16B.42, subdivision 1; 16B.48, subdivision 2; 16B.54, subdivision 8; 16B.55, subdivisions 3 and 6; 16B.65,

subdivision 3; 16B.85; 94.12; 214.07, subdivision 1; and 382.153; Minnesota Statutes 1987 Supplement, sections 16B.09, subdivision 1; 16B.67; 115A.15, subdivision 6; and 168.012, subdivision 1; Laws 1987, chapters 365, section 24; and 404, section 16, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 16B; repealing Minnesota Statutes 1986, sections 15.38; 16B.29; and 214.07, subdivision 2.

Referred to the Committee on Governmental Operations.

Mr. Pehler, Ms. Reichgott, Mr. Larson, Ms. Peterson, D.C. and Mr. Stumpf introduced—

S.F. No. 2060: A bill for an act relating to libraries; excluding library services levies from certain levy limitations; requiring recommendations about regional public library districts; amending Minnesota Statutes 1986, section 134.34, by adding a subdivision.

Referred to the Committee on Education.

Messrs. Ramstad, Belanger, Mrs. Brataas and Mr. Taylor introduced—

S.F. No. 2061: A bill for an act relating to taxation; repealing the law providing for a contingent tax increase upon forecast of a revenue shortfall; repealing Laws 1987, chapter 268, article 18, section 5.

Referred to the Committee on Taxes and Tax Laws.

Mr. Knutson introduced—

S.F. No. 2062: A bill for an act relating to courts; permitting parties in civil actions to electronically record the proceedings; amending Minnesota Statutes 1986, section 484.72, by adding a subdivision.

Referred to the Committee on Judiciary.

Mr. Bertram introduced—

S.F. No. 2063: A bill for an act relating to taxation; changing the rate of gross premiums tax imposed on certain mutual insurance companies; allowing a subtraction from taxable income for certain pension income, unemployment compensation, military pay, charitable contributions, and tuition payments; restoring the reduction in 1986 property tax refunds; exempting sales of nonprescription drugs, interstate phone calls, and laundering and dry cleaning services from the sales tax; appropriating money; amending Minnesota Statutes 1987 Supplement, sections 60A.15, subdivision 1; 290.01, subdivision 19b; 297A.01, subdivision 3; 297A.25, subdivision 3; and Laws 1987, chapter 268, article 3, section 12; proposing coding for new law in Minnesota Statutes, chapter 290.

Referred to the Committee on Taxes and Tax Laws.

Mr. Knaak introduced—

S.F. No. 2064: A bill for an act relating to financial institutions; authorizing certain banks to offer services on behalf of other banks; amending Minnesota Statutes 1986, section 48.34.

Referred to the Committee on Commerce.

Messrs. Mehrkens and Johnson, D.E. introduced—

S.F. No. 2065: A bill for an act relating to crimes; making it a crime for a person in custody for an alleged act of delinquency or on a juvenile adjudication of delinquency to escape; amending Minnesota Statutes 1986, section 609.485, subdivisions 2 and 4.

Referred to the Committee on Judiciary.

Mr. Ramstad introduced—

S.F. No. 2066: A bill for an act relating to education; providing for reporting of consumption of alcohol by minors; amending Minnesota Statutes 1987 Supplement, section 126.035.

Referred to the Committee on Education.

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

S.F. No. 2067: A bill for an act relating to traffic regulations; allowing haulers of timber products to carry increased axle loads under certain circumstances; amending Minnesota Statutes 1986, section 169.825, by adding a subdivision.

Referred to the Committee on Transportation.

Mr. Knaak introduced—

S.F. No. 2068: A bill for an act relating to guardianship; permitting appointment of any number of guardians; permitting the appointment of guardians who reside outside the state; amending Minnesota Statutes 1986, section 525.54, by adding a subdivision.

Referred to the Committee on Judiciary.

Mr. Morse, Ms. Reichgott; Peterson, D.C. and Mr. Luther introduced—

S.F. No. 2069: A bill for an act relating to insurance; prohibiting health insurance rate discrimination on the basis of sex; proposing coding for new law in Minnesota Statutes, chapters 62A; 62C; and 62D.

Referred to the Committee on Commerce.

Messrs. Ramstad and Jude introduced—

S.F. No. 2070: A bill for an act relating to political subdivisions; clarifying tort liability for certain actions; amending Minnesota Statutes 1986, section 466.03, subdivision 5.

Referred to the Committee on Judiciary.

Messrs. Pogemiller, Kroening, Ms. Peterson, D.C.; Berglin and Mrs. Lantry introduced—

S.F. No. 2071: A bill for an act relating to crimes; requiring a neighborhood impact statement to be submitted as part of the presentence investigation report for controlled substance offenses; amending Minnesota Statutes 1986, section 609.115, by adding a subdivision.

Referred to the Committee on Judiciary.

Messrs. Bertram, Anderson and DeCramer introduced—

S.F. No. 2072: A bill for an act relating to workers' compensation; regulating premium for certain classifications of trucking employees; authorizing the state compensation insurance fund to write all states coverage; amending Minnesota Statutes 1986, section 176A.03, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 79.

Referred to the Committee on Employment.

Messrs. Anderson; Bertram; Pehler; Johnson, D.E. and Berg introduced—

S.F. No. 2073: A bill for an act relating to insurance; health and accident; providing state plan coverage for certain residents who have been terminated because of a health maintenance organization's termination of coverage in a geographic area of the state.

Referred to the Committee on Health and Human Services.

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

S.F. No. 2074: A bill for an act relating to retirement; Minneapolis employees retirement fund; adding state representatives to the retirement board of the fund; transferring administration of the fund from the retirement board to the public employees retirement association effective June 30, 1990; amending Minnesota Statutes 1986, sections 422A.02; and 422A.03, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 422A; repealing Minnesota Statutes 1986, sections 422A.01, subdivision 13; 422A.02; 422A.03; 422A.04, subdivisions 1 and 4; 422A.05; and 422A.06, subdivisions 1, 3, 4, and 6; Minnesota Statutes 1987 Supplement, sections 422A.04, subdivisions 2 and 3; and 422A.06, subdivisions 2, 5, 7, and 8.

Referred to the Committee on Governmental Operations.

Messrs. Larson; Decker; Johnson, D.E.; Mehrkens and Anderson introduced—

S.F. No. 2075: A bill for an act relating to human services; excluding nursing home pension contributions from operating cost limits; amending Minnesota Statutes 1987 Supplement, section 256B.431, subdivision 2b.

Referred to the Committee on Health and Human Services.

Mr. Davis introduced—

S.F. No. 2076: A bill for an act relating to agriculture; appropriating money for a seller-sponsored loan program for beginning farmers.

Referred to the Committee on Agriculture.

Mr. Davis introduced—

S.F. No. 2077: A bill for an act relating to agriculture; directing the attorney general to study ownership of Minnesota farmland by limited partnerships.

Referred to the Committee on Agriculture.

Mrs. McQuaid, Ms. Olson, Messrs. Benson and Decker introduced—

S.F. No. 2078: A bill for an act relating to taxation; repealing the law providing for a contingent tax increase upon forecast of a revenue shortfall; repealing Laws 1987, chapter 268, article 18, section 5.

Referred to the Committee on Taxes and Tax Laws.

Mr. Lessard introduced—

S.F. No. 2079: A bill for an act relating to natural resources; regulating fish spearing on lakes within Indian reservations; amending Minnesota Statutes 1986, section 97C.371, by adding a subdivision.

Referred to the Committee on Environment and Natural Resources.

Messrs. Luther, Jude and Merriam introduced—

S.F. No. 2080: A bill for an act relating to education; reenacting the capital expenditure levy for leased buildings with certain additional restrictions; authorizing a levy to make up for the levy not made in 1987; amending Minnesota Statutes 1986, section 275.125, by adding a subdivision.

Referred to the Committee on Education.

Mr. Vickerman and Mrs. Adkins introduced—

S.F. No. 2081: A bill for an act relating to health; authorizing the public facilities authority to make health care planning grants and capital equipment loans available to small hospitals; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 446A.

Referred to the Committee on Health and Human Services.

Messrs. Wegscheid, DeCramer, Morse and Pehler introduced—

S.F. No. 2082: A bill for an act relating to retirement; teachers retirement association; changing the method of computation of early retirement reductions; amending Minnesota Statutes 1986, section 354.44, subdivision 6.

Referred to the Committee on Governmental Operations.

Messrs. Wegscheid, Decker, DeCramer, Morse and Pehler introduced—

S.F. No. 2083: A bill for an act relating to retirement; teachers; removing the requirement that service used in annuity computation be consecutive years; amending Minnesota Statutes 1986, section 354.44, subdivision 6.

Referred to the Committee on Governmental Operations.

Messrs. Wegscheid, Decker, DeCramer, Morse and Pehler introduced—

S.F. No. 2084: A bill for an act relating to retirement; teachers; lowering the normal retirement age to 62 and adjusting the formula for early retirement; amending Minnesota Statutes 1986, sections 354.44, subdivision 6; 354.46, subdivision 1; and 354.48, subdivision 10; Minnesota Statutes 1987 Supplement, sections 354.48, subdivision 3; 354.49, subdivision 3; and 354.55, subdivision 11.

Referred to the Committee on Governmental Operations.

Ms. Berglin, Mr. Spear, Mrs. Lantry and Mr. Brandl introduced—

S.F. No. 2085: A bill for an act relating to child support; clarifying that guidelines apply in public assistance contribution actions; requiring disclosure of information; allowing use of revenue recapture act by any public agency; allowing use of child support remedies for medical support; providing for termination of income withholding; clarifying application of income withholding; amending Minnesota Statutes 1986, section 256.87, subdivisions 1 and 1a; 256.978; 270A.03, subdivision 4; 518.171, by adding a subdivision; and 518.611, subdivision 10; Minnesota Statutes 1987 Supplement, section 518.611, subdivision 2.

Referred to the Committee on Health and Human Services.

Mrs. McQuaid introduced—

S.F. No. 2086: A bill for an act relating to health; health maintenance organizations; regulating terminations and cancellations; requiring an organization to provide conversion coverage to enrollees upon termination or cancellation of coverage; amending Minnesota Statutes 1986, sections 62D.03, subdivision 4; 62D.07, subdivision 3; 62D.12, subdivision 2; 62D.13; and 62D.15, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 62D.

Referred to the Committee on Health and Human Services.

Mrs. McQuaid introduced—

S.F. No. 2087: A bill for an act relating to taxation; property tax refund; changing refund schedules and income limits; amending Minnesota Statutes 1987 Supplement, sections 290A.03, subdivisions 3 and 8; and 290A.04, subdivisions 2 and 2b; repealing Minnesota Statutes 1987 Supplement, section 290A.04, subdivision 2a; and Laws 1987, chapter 268, article 3, section 12.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Luther, Wegscheid, Samuelson and Anderson introduced—

S.F. No. 2088: A bill for an act relating to insurance; regulating unfair settlement practices; requiring disclosure of coverage; amending Minnesota Statutes 1987 Supplement, section 72A.201, subdivision 4.

Referred to the Committee on Commerce.

Messrs. Novak, Metzen, Mmes. McQuaid, Lantry and Mr. Schmitz introduced—

S.F. No. 2089: A bill for an act relating to metropolitan government; regulating financing and duties of the regional transit board; amending Minnesota Statutes 1986, section 473.39, as amended; and Minnesota Statutes 1987 Supplement, section 473.446, subdivision 1; repealing Minnesota Statutes 1987 Supplement, sections 473.393 and 473.398.

Referred to the Committee on Transportation.

Mr. Lessard introduced—

S.F. No. 2090: A bill for an act relating to state lands; authorizing a certain conveyance by the commissioner of natural resources to the city of Big Fork.

Referred to the Committee on Environment and Natural Resources.

Mr. Purfeerst introduced—

S.F. No. 2091: A bill for an act relating to highway traffic regulations; providing that the attorney who prosecutes DWI misdemeanor violations also must prosecute aggravated DWI while driving after revocation violations; amending Minnesota Statutes 1986, section 169.129.

Referred to the Committee on Judiciary.

Messrs. Samuelson, Diessner and Bertram introduced—

S.F. No. 2092: A bill for an act relating to veterans; providing for state veterans' cemeteries; requiring land donated to state for use as veterans' cemetery in Morrison county to be returned to donors if not used as veterans' cemetery; amending Minnesota Statutes 1986, section 197.235.

Referred to the Committee on Veterans.

Messrs. Morse, DeCramer and Decker introduced—

S.F. No. 2093: A bill for an act relating to education; eliminating the cap on the state university system student health service fee; amending Minnesota Statutes 1986, section 136.11, subdivision 7.

Referred to the Committee on Education.

Messrs. Gustafson and Johnson, D.J. introduced—

S.F. No. 2094: A bill for an act relating to constables; authorizing town boards to form law enforcement agencies; abolishing the office of constable; authorizing the board of peace officer standards and training to issue peace officer licenses to persons possessing constable licenses; transferring responsibilities imposed by law upon constables to peace officers; amending Minnesota Statutes 1986, sections 38.01; 88.10, subdivision 2; 88.18; 97A.205; 115.32, subdivision 3; 123.352, subdivision 3; 136C.08, subdivision 4; 169.123, subdivision 1; 169.965, subdivisions 4 and 5; 169.966, subdivisions 4 and 5; 169.98, subdivision 1; 176.011, subdivision 9; 192.68, subdivision 1; 192.85; 260.133, subdivision 3; 277.11; 299C.03; 299C.06; 299D.03, subdivision 1; 306.13; 315.43; 317.66, subdivision 4; 325E.21, subdivision 1; 326.337, subdivision 1; 327.76, subdivision 3; 329.07; 329.14; 330.06; 332.37; 343.29, subdivision 1; 345.04; 345.05; 345.14; 346.05; 346.14; 346.17; 346.18; 347.06; 347.14, subdivisions 1 and 2; 349.33; 357.12; 359.11; 367.11; 367.40, by adding a subdivision; 367.42, subdivision 1, and by adding a subdivision; 375.24; 382.27; 383C.645; 383C.673; 395.23; 398.13; 398.35, subdivision 2; 412.101; 412.861, subdivision 1; 473.608, subdivision 17; 514.22; 514.58; 518B.01, subdivision 6; 541.06; 561.07; 566.06; 566.16; 566.175, subdivision 1; 617.27; 624.24; 624.62; 626.05, subdivision 2; 626.84, subdivision 1; 626.848; 626.86; 626.861, subdivision 4; 626.88, subdivisions 1 and 2; 629.34, subdivision 1; and 631.04; proposing coding for new law in Minnesota Statutes, chapter 367;

repealing Minnesota Statutes 1986, sections 367.03, subdivision 3; 367.40, subdivision 3; 367.41; 367.42, subdivision 2; 626.843, subdivision 1a; and 626.845, subdivision 2.

Referred to the Committee on Judiciary.

• Messrs. Peterson, R.W.; Pehler; DeCramer; Meses. Peterson, D.C. and Reichgott introduced—

S.F. No. 2095: A bill for an act relating to education; establishing the amount of the formula allowance for general education revenue for fiscal year 1990; amending Minnesota Statutes 1987 Supplement, section 124A.22, subdivision 2.

Referred to the Committee on Education.

Messrs. Schmitz and Dahl introduced—

S.F. No. 2096: A bill for an act relating to commerce; regulating and governing business relations between manufacturers of agricultural equipment and independent retail dealers of those products; proposing coding for new law in Minnesota Statutes, chapter 325E.

Referred to the Committee on Commerce.

Messrs. Marty, Pogemiller and Frederickson, D.R. introduced—

S.F. No. 2097: A bill for an act relating to the board of the arts; regulating distribution of funds to regional arts councils; regulating conflict of interest; amending Minnesota Statutes 1986, section 139.10.

Referred to the Committee on General Legislation and Public Gaming.

Mr. Lessard introduced—

S.F. No. 2098: A bill for an act relating to game and fish; removing crows from the unprotected list; authorizing a season on crow and raven; amending Minnesota Statutes 1986, sections 97A.015, subdivision 52; and 97B.711, by adding a subdivision.

Referred to the Committee on Environment and Natural Resources.

Messrs. Bertram, Pehler, Laidig, Jude and Samuelson introduced—

S.F. No. 2099: A bill for an act relating to the military; providing tuition reimbursement to members of the Minnesota national guard; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 192.

Referred to the Committee on Veterans.

Messrs. Bertram, Samuelson, Laidig, Jude and Pehler introduced—

S.F. No. 2100: A bill for an act relating to the military; restoring the military pay exclusion for national guard pay; amending Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19b.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Bertram, Samuelson, Laidig and Pehler introduced—

S.F. No. 2101: A bill for an act relating to the military; providing a state bonus for national guard service; providing state tuition assistance for national guard members; restoring the military pay exclusion for national guard pay; appropriating money; amending Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19b; proposing coding for new law in Minnesota Statutes, chapter 192.

Referred to the Committee on Veterans.

Mr. Kroening introduced—

S.F. No. 2102: A bill for an act relating to the city of Minneapolis; authorizing the Minneapolis park and recreation board to establish compensation for its members; amending Laws 1974, chapter 181, section 1, as amended.

Referred to the Committee on Local and Urban Government.

Ms. Berglin and Mr. Moe, D.M. introduced—

S.F. No. 2103: A bill for an act relating to human services; implementing minority child heritage protection act; requiring minority councils to review placement data; requiring rule revision; planning for permanency; improving recruitment of minority adoptive and foster care families; designating recruitment specialist; requiring out-of-home placement reports; creating task force; requiring training of adoption and foster care families and workers; providing grants for support services; expanding definition of "relative" for purposes of placement priority; appropriating money; amending Minnesota Statutes 1986, sections 3.9223, subdivision 3; 3.9225, subdivision 3; 3.9226, subdivision 3; 256F03, subdivision 8; 257.071, subdivisions 2, 3, and by adding a subdivision; 257.072; and 260.015, subdivision 13; Minnesota Statutes 1987 Supplement, section 3.922, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 257; repealing Minnesota Statutes 1986, section 257.071, subdivision 6.

Referred to the Committee on Health and Human Services.

Ms. Berglin introduced—

S.F. No. 2104: A bill for an act relating to domestic abuse; requiring recording of all domestic abuse protection hearings; amending Minnesota Statutes 1986, section 518B.01, by adding a subdivision.

Referred to the Committee on Judiciary.

Messrs. Freeman, Pehler and Dahl introduced—

S.F. No. 2105: A bill for an act relating to education; authorizing the sale of college savings bonds; providing financial incentives for students to enroll at post-secondary institutions located in this state; creating an advisory task force; proposing coding for new law in Minnesota Statutes, chapter 16A.

Referred to the Committee on Education.

Mr. Freeman, Mses. Berglin, Piper, Messrs. Storm and Benson introduced—

S.F. No. 2106: A bill for an act relating to vocational rehabilitation; changing terminology; regulating funding allocations; providing for facility governance; amending Minnesota Statutes 1986, section 129A.02, subdivision 3; 129A.09; and 129A.10; Minnesota Statutes 1987 Supplement, sections 129A.01, subdivisions 5, 6, and 7; 129A.03; 129A.06, subdivision 1; 129A.07, subdivision 1; 129A.08, subdivisions 1, 4, 5, and by adding a subdivision; repealing Minnesota Statutes 1987 Supplement, sections 129A.01, subdivision 8; 129A.07, subdivision 2; and 129A.08, subdivision 3.

Referred to the Committee on Health and Human Services.

Messrs. Luther, Spear, Mrs. Lantry, Messrs. Mehrkens and Hughes introduced—

S.F. No. 2107: A bill for an act relating to crimes; expanding aggravated robbery and burglary in the first degree to include crimes committed with an article that appears to be a dangerous weapon; creating a felony offense of terrorizing with a replica firearm; amending Minnesota Statutes 1986, sections 609.245; 609.582; and 609.713, by adding a subdivision.

Referred to the Committee on Judiciary.

Mr. Diessner introduced—

S.F. No. 2108: A bill for an act relating to taxation; creating a commission to study the concept of a single business tax or value added tax; appropriating money.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Bertram, Pehler, Laidig, Jude and Samuelson introduced—

S.F. No. 2109: A bill for an act relating to the military; providing a state bonus for national guard service; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 192.

Referred to the Committee on Veterans.

Messrs. Novak, Pehler, Benson, Jude and Chmielewski introduced—

S.F. No. 2110: A bill for an act relating to taxation; property; classifying utility property as commercial-industrial; classifying certain personal property; amending Minnesota Statutes 1986, section 273.13, by adding a subdivision; and Minnesota Statutes 1987 Supplement, section 273.13, subdivision 24.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Novak, Merriam, Ms. Piper and Mr. Dicklich introduced—

S.F. No. 2111: A bill for an act relating to public utilities; pipeline safety; authorizing the office of pipeline safety to inspect and regulate intrastate pipeline facilities carrying liquefied natural gas, liquefied petroleum gas, and hazardous liquids; adopting federal safety regulations; providing for the calculation of pipeline inspection fees; appropriating money; amending

Minnesota Statutes 1986, sections 299F56, subdivisions 1, 2, 4, 6, and by adding subdivisions; and 299F59; Minnesota Statutes 1987 Supplement, sections 116I.015, subdivision 3; 299F57, subdivision 1, and by adding a subdivision; 299F58; 299F62; 299F63, subdivision 1; 299F64; and 299J.12, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 299F; repealing Minnesota Statutes 1987 Supplement, section 299F63, subdivision 4.

Referred to the Committee on Public Utilities and Energy.

Ms. Piper, Messrs. Marty and Morse introduced—

S.F. No. 2112: A bill for an act relating to taxation; exempting sales of aspirin and other pain relievers from taxation; amending Minnesota Statutes 1987 Supplement, section 297A.25, subdivision 3.

Referred to the Committee on Taxes and Tax Laws.

Mr. Peterson, R. W. introduced—

S.F. No. 2113: A bill for an act relating to agriculture; providing a computerized system for notification of security interests in farm products; imposing a penalty; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 336A.

Referred to the Committee on Agriculture.

Messrs. Luther, Spear, Mrs. Lantry, Messrs. Mehrkens and Hughes introduced—

S.F. No. 2114: A bill for an act relating to crimes; requiring a warning label on replica firearms; proposing coding for new law in Minnesota Statutes, chapter 325F.

Referred to the Committee on Commerce.

Mr. Dahl introduced—

S.F. No. 2115: A bill for an act relating to public safety; requiring the superintendent of the bureau of criminal apprehension to set standards requiring firearms to be readily identifiable and detectable as firearms; prescribing penalties; proposing coding for new law in Minnesota Statutes, chapter 624.

Referred to the Committee on Judiciary.

Mr. Dahl introduced—

S.F. No. 2116: A bill for an act relating to environment; requiring variable waste collection and disposal fees; requiring direct billing for collection and disposal of certain wastes; requiring counties to offer an opportunity to recycle; proposing coding for new law in Minnesota Statutes, chapter 115A.

Referred to the Committee on Environment and Natural Resources.

Mr. Diessner introduced—

S.F. No. 2117: A bill for an act relating to employment; allowing certain nonlicensed facilities to perform breath tests for alcohol; amending Minnesota Statutes 1987 Supplement, section 181.951, subdivision 1.

Referred to the Committee on Employment.

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

S.F. No. 2118: A bill for an act relating to occupations and professions; creating the state board of examiners for speech-language pathology and audiology and providing for its powers and duties; providing for the licensure and regulation of speech-language pathologists, and audiologists; authorizing rulemaking; appropriating money; amending Minnesota Statutes 1987 Supplement, sections 214.01, subdivision 2; and 214.04, subdivision 3; proposing coding for new law as Minnesota Statutes, chapter 153B.

Referred to the Committee on Health and Human Services.

Mr. Spear and Ms. Reichgott introduced—

S.F. No. 2119: A bill for an act relating to child abuse reporting; clarifying the assessment duties of the local welfare agency; providing for the retention of records in certain circumstances; amending Minnesota Statutes 1986, section 626.556, subdivision 5, and by adding subdivisions; and Minnesota Statutes 1987 Supplement, section 626.556, subdivision 11.

Referred to the Committee on Judiciary.

Mrs. Lantry and Mr. Berg introduced—

S.F. No. 2120: A bill for an act relating to charitable gambling; licensing operators of bingo halls; requiring organizations to be directly responsible for the conducting of bingo it holds; changing definition of gross receipts for the purposes of bingo; amending Minnesota Statutes 1986, section 349.19, subdivision 1; Minnesota Statutes 1987 Supplement, section 349.17, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 349.

Referred to the Committee on General Legislation and Public Gaming.

Messrs. Pogemiller and Freeman introduced—

S.F. No. 2121: A bill for an act relating to human services; appropriating money for administering service delivery improvement pilot projects.

Referred to the Committee on Health and Human Services.

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

S.F. No. 2122: A bill for an act relating to the collection and dissemination of data; proposing classifications of data as private and nonpublic; amending Minnesota Statutes 1986, sections 13.04, subdivision 4; 138.17, by adding a subdivision; and 473.843, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 13.

Referred to the Committee on Judiciary.

Messrs. Hughes, Morse, Mses. Peterson, D.C.; Reichgott and Mr. Knaak introduced—

S.F. No. 2123: A bill for an act relating to education; changing the membership of the board of teaching; amending Minnesota Statutes 1986, section 125.183, subdivision 3.

Referred to the Committee on Education.

Messrs. Spear, Ramstad, Knutson, Marty and Hughes introduced—

S.F. No. 2124: A bill for an act relating to crime; law enforcement; requiring the reporting of crimes motivated by bias; requiring the peace officer standards and training board to mandate training for peace officers in recognizing, responding to, and reporting crimes of bias; proposing coding for new law in chapter 626.

Referred to the Committee on Judiciary.

Messrs. Spear and Merriam introduced—

S.F. No. 2125: A bill for an act relating to sentencing; directing the sentencing guidelines commission to study certain sentencing issues; requiring the commission to report back to the legislature with proposed changes to respond to these issues; proposing coding for new law in Minnesota Statutes, chapter 244.

Referred to the Committee on Judiciary.

Messrs. Diessner, Bertram and Renneke introduced—

S.F. No. 2126: A bill for an act relating to veterans; providing for treatment of certain veterans convicted of crimes who suffer from posttraumatic stress disorder; amending Minnesota Statutes 1987 Supplement, sections 609.115, subdivision 1; and 609.135, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 609.

Referred to the Committee on Veterans.

Mr. Marty introduced—

S.F. No. 2127: A bill for an act relating to energy; modifying the program that promotes investments in energy conservation; establishing an energy conservation board; appropriating money; amending Minnesota Statutes 1986, sections 116J.09; 116J.18, subdivision 1a; 216A.07, subdivision 3; 216B.03; 216B.16, subdivisions 1 and 6b; and 216B.243, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 216B; repealing Minnesota Statutes 1986, section 216B.241.

Referred to the Committee on Public Utilities and Energy.

Mr. Morse introduced—

S.F. No. 2128: A bill for an act relating to food; requiring labeling of certain foods that may contain banned substances harmful to human health; making findings; prescribing country of origin labeling for fresh, processed, and prepared foods; requiring findings and rules to determine goods requiring country of origin labeling; requiring seizure of mislabeled food; establishing liability for persons injured for mislabeled food; prescribing penalties;

amending Minnesota Statutes 1986, section 31.12.

Referred to the Committee on Agriculture.

Mr. Morse introduced—

S.F. No. 2129: A bill for an act relating to agriculture; renaming the department of agriculture to the department of agriculture and food; authorizing distinction of and expanded use of the Minnesota grown label; establishing certification of soil testing laboratories; requiring real dairy products to be offered where artificial dairy products are served; appropriating money; amending Minnesota Statutes 1986, section 17.01; Minnesota Statutes 1987 Supplement, section 17.102, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 17 and 32; repealing Minnesota Statutes 1986, section 17.013.

Referred to the Committee on Agriculture.

Mr. Morse introduced—

S.F. No. 2130: A bill for an act relating to agriculture; establishing liability for persons injured while using private land for recreational purposes with or without charge; establishing duty of care and liability for persons using a "pick your own" farm; amending Minnesota Statutes 1986, sections 87.01; 87.021; 87.0221; 87.023; 87.024; 87.025; 87.026; and 87.03.

Referred to the Committee on Agriculture.

Mr. Dahl introduced—

S.F. No. 2131: A bill for an act relating to the environment; prohibiting government units and takeout food vendors from purchasing and using chlorofluorocarbon-processed food packaging materials; providing a penalty; proposing coding for new law in Minnesota Statutes, chapter 116.

Referred to the Committee on Environment and Natural Resources.

Ms. Piper and Mr. Moe, D.M. introduced—

S.F. No. 2132: A bill for an act relating to health; regulating the practice of acupuncture; providing penalties; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 144.

Referred to the Committee on Health and Human Services.

Messrs. Diessner, Bertram and Laidig introduced—

S.F. No. 2133: A bill for an act relating to workers' compensation; providing coverage for preventive rabies treatment; amending Minnesota Statutes 1987 Supplement, section 176.135, subdivision 1.

Referred to the Committee on Employment.

Mr. Dicklich introduced—

S.F. No. 2134: A bill for an act relating to St. Louis county; requiring a polling place at a certain location.

Referred to the Committee on Elections and Ethics.

Mr. Dicklich introduced—

S.F. No. 2135: A bill for an act relating to retirement; authorizing optional Medicare coverage for certain pre-1986 public employees; providing for a special referendum; proposing coding for new law in Minnesota Statutes, chapter 355.

Referred to the Committee on Governmental Operations.

Mr. Dicklich introduced—

S.F. No. 2136: A bill for an act relating to taxation; allowing the city of Biwabik to exceed certain property tax levy limits; allowing for a referendum on the issue of exceeding the levy limits.

Referred to the Committee on Taxes and Tax Laws.

Mr. Pehler introduced—

S.F. No. 2137: A bill for an act relating to education; modifying certain requirements relating to school health services; amending Minnesota Statutes 1986, section 123.35, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 126; repealing Minnesota Statutes 1987 Supplement, sections 123.35, subdivision 16; and 126.201.

Referred to the Committee on Education.

Mr. Vickerman and Ms. Berglin introduced—

S.F. No. 2138: A bill for an act relating to human services; providing exceptions to the moratorium on beds in intermediate care facilities for persons with mental retardation or related conditions; amending Minnesota Statutes 1986, sections 252.291, subdivisions 1 and 2; and 256B.092, subdivisions 5 and 7; Minnesota Statutes 1987 Supplement, sections 252.291, subdivision 3; and 256B.501, subdivision 1.

Referred to the Committee on Health and Human Services.

Ms. Berglin introduced—

S.F. No. 2139: A bill for an act relating to establishment of rates for intermediate care facilities for the mentally retarded (ICF/MR); changing the procedures for determining ICF/MR rates beginning in 1988; amending Minnesota Statutes 1986, section 256B.501, by adding subdivisions.

Referred to the Committee on Health and Human Services.

Mr. Johnson, D.J. introduced—

S.F. No. 2140: A bill for an act relating to state finance; changing provisions providing for a contingent tax increase; requiring or allowing certain retailers to register for a permit and collect and remit the use tax; reducing the tax on pari-mutuel betting and requiring an increase in purses; clarifying the sales tax exemption for the University of Minnesota hospital; taxing foreign income for purposes of the corporate franchise tax; changing corporate franchise tax definitions; allowing franchise tax deductions for deemed dividends from a foreign operating corporation and for foreign payments; updating income and corporate franchise tax provisions to the Internal Revenue Code; providing a separate income tax rate schedule for married

individuals filing separate returns and estates and trusts; increasing the income tax credit for elderly and disabled persons; amending Minnesota Statutes 1986, sections 240.15, subdivisions 1 and 2; 240.18; 290.01, by adding subdivisions; 290.931, subdivision 1; 290.934, subdivisions 1, 3, and by adding a subdivision; 297A.01, subdivision 10; 297A.15, subdivision 1; 297A.16; 297A.17; and 297A.21; Minnesota Statutes 1987 Supplement, sections 16A.1541; 240.13, subdivision 5; 290.01, subdivisions 4, 5, 19, and 20; 290.06, subdivisions 2c and 20; 290.095, subdivision 3; 290.17, subdivision 4; 290.191, subdivision 5; 290.21, subdivision 4; 290.934, subdivision 2; 290A.03, subdivision 15; and 297A.25, subdivision 11; Laws 1987, chapter 268, article 18, section 5; proposing coding for new law in Minnesota Statutes, chapter 290; repealing Minnesota Statutes 1986, sections 290.07, subdivisions 1, 2, 3, 6, and 7; 290.11; 290.12, as amended; 290.131, as amended; 290.132, as amended; 290.133, as amended; 290.134, as amended; 290.135, as amended; 290.136, as amended; 290.138, as amended; 290.934, subdivision 4; and 297A.15, subdivision 2; Minnesota Statutes 1987 Supplement, sections 290.14; and 290.21, subdivision 8.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Johnson, D.J.; Moe, R.D.; Merriam; Gustafson and Luther introduced—

S.F. No. 2141: A bill for an act relating to natural resources; ratifying and affirming the settlement agreement arising from litigation concerning certain treaty related claims of Chippewa Indians; prescribing powers and duties of the commissioner of natural resources in relation to the settlement agreement; proposing coding for new law in Minnesota Statutes, chapter 97A.

Referred to the Committee on Environment and Natural Resources.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Monday, February 29, 1988. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

SIXTY-SECOND DAY

St. Paul, Minnesota, Monday, February 29, 1988

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

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rev. Hal Hoekstra.

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

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

The President declared a quorum present.

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

MEMBERS EXCUSED

Mr. Diessner was excused from the Session of today. Mr. Frederickson, D.J. was excused from the Session of today until 3:00 p.m.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

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

February 5, 1988

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment to the Minnesota Environmental Quality Board is hereby respectfully submitted to the Senate for confirmation as required by law:

Martha C. Brand, 1904 Humboldt Ave. S., Minneapolis, Hennepin County, has been appointed by me, effective January 26, 1988, for a term expiring the first Monday in January, 1992.

(Referred to the Committee on Environment and Natural Resources.)

February 5, 1988

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointments to the State Board of Vocational Technical Education are hereby respectfully submitted to the Senate for confirmation as required by law:

Donna Anderson, 2221 Marillac Ln., St. Paul, Ramsey County, has been appointed by me, effective January 26, 1988, for a term expiring the first Monday in January, 1989.

Frank E. Adams, 605 Ramsey St. N.E., Minneapolis, Hennepin County, has been appointed by me, effective January 26, 1988, for a term expiring the first Monday in January, 1992.

Scott Rocci Norcia, Eastview Apts., Eveleth, St. Louis County, has been appointed by me, effective January 26, 1988, for a term expiring the first Monday in January, 1992.

(Referred to the Committee on Education.)

February 16, 1988

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment to the Board on Judicial Standards is hereby respectfully submitted to the Senate for confirmation as required by law:

Lawrence Redmond, 1920 S. 1st St., Minneapolis, Hennepin County, has been appointed by me, effective January 26, 1988, for a term expiring the first Monday in January, 1992.

(Referred to the Committee on Judiciary.)

February 18, 1988

The Honorable Jerome M. Hughes
President of the Senatē

Dear Sir:

The following appointment to the Board on Judicial Standards is hereby respectfully submitted to the Senate for confirmation as required by law:

Edward Matonich, 2031 - 2nd Ave. E., Hibbing, St. Louis County, has been appointed by me, effective February 17, 1988, for a term expiring the first Monday in January, 1990.

(Referred to the Committee on Judiciary.)

Sincerely,
Rudy Perpich, Governor

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 1741, 1846, 1853 and 1886.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted February 25, 1988

FIRST READING OF HOUSE BILLS

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

H.F. No. 1741: A bill for an act relating to consumer protection; prohibiting the resale of liners used in flotation bedding; prescribing penalties; proposing coding for new law in Minnesota Statutes, chapter 325F

Referred to the Committee on Commerce.

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

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1725, now on General Orders.

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

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1758.

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

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1694, now on the Calendar.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of the reports on S.F. Nos. 308, 1595 and 1618. The motion prevailed.

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

S.F. No. 1686: A bill for an act relating to agriculture; prescribing procedure for delivery of dry edible beans from a grain warehouse; requiring the grade of dry edible beans on warehouse receipts; prescribing a delivery charge; amending Minnesota Statutes 1986, sections 223.16, subdivision 4; 232.21, subdivision 7; and 232.23, by adding a subdivision.

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

Page 3, lines 17, 24, 28, 30, and 31, delete "delivery" and insert "redelivery"

Page 3, line 21, delete "DELIVERY" and insert "REDELIVERY"

Amend the title as follows:

Page 1, line 5, delete "delivery" and insert "redelivery"

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

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

S.F. No. 1761: A bill for an act relating to crime; traffic safety; providing that operating a vehicle at a speed of 85 miles per hour or more is careless driving; limiting plea negotiations for speeding violations; amending Minnesota Statutes 1986, sections 169.13, subdivision 2; and 169.141, by adding a subdivision.

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

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 1801: A bill for an act relating to consumer protection; requiring certain disclosures regarding storage fees imposed by repair shops; amending Minnesota Statutes 1986, sections 325F58, subdivisions 1 and 3; and 325F62, subdivision 3; Minnesota Statutes 1987 Supplement, sections 325F56, subdivision 8; and 325F60, subdivision 1.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1987 Supplement, section 325F56, subdivision 8, is amended to read:

Subd. 8. "Written estimate" means a writing which includes:

(a) The name and address of the shop;

(b) A description of the problem to be repaired as described by the customer and any specific repair requested by the customer;

(c) The charges for parts or materials listed with reasonable particularity and indicating whether the parts are new, used, rebuilt, reconditioned, or replated if this information is known by the shop. If parts, other than window glass, used in the repair are new parts, the estimate must indicate whether or not those parts are original equipment parts;

(d) *A reasonable storage fee, if the shop imposes a fee for storage;*

(e) Labor charges;

~~(e)~~ (f) Tax;

~~(f)~~ (g) Any delivery charge;

~~(g)~~ (h) Any other charges; and

~~(h)~~ (i) The total estimated price.

Sec. 2. Minnesota Statutes 1986, section 325F58, subdivision 3, is amended to read:

Subd. 3. At the time a shop provides a customer with a written estimate, the shop shall inform the customer that any charge for *storage or care*, a service call or a charge for making an estimate shall be in addition to the estimated price for the repairs.

Sec. 3. Minnesota Statutes 1987 Supplement, section 325F60, subdivision 1, is amended to read:

Subdivision 1. [DEFINITION; REQUIREMENTS.] Notwithstanding the provisions of section 325F56, subdivision 2, for the purpose of this section "repair" means work of any value performed under a manufacturer's warranty, a service contract, or an insurance policy; or any repair work performed for a total value of more than \$50, including the price of parts and materials, to restore a malfunctioning, defective, or worn motor vehicle, appliance, or dwelling place used primarily for personal, family, or household purposes and not primarily for business or agricultural purposes. "Repairs" do not include service calls or estimates. Upon completion of repairs, a shop shall provide the customer with a copy of a dated invoice for the repairs performed. If the customer receives a repaired motor vehicle or appliance without face to face contact with the shop, the shop shall mail the invoice to the customer within two business days after the shop has knowledge of removal of the item. The invoice shall contain the following information:

(a) The date of repair;

(b) The name and address of the shop;

(c) A description of all repairs performed;

(d) An itemization of the charges for parts, materials, labor, tax, delivery, *storage or care*, and any other charges assessed against the customer;

(e) A notation specifying which parts, if any, are new, used, rebuilt, reconditioned, or replated if that information is known by the shop. If parts, other than window glass, used in the repair are new parts, the invoice must indicate whether or not those parts are original equipment parts;

(f) A statement of any charge for *storage or care*, a service call or for making an estimate;

(g) A statement of the odometer reading at the time a motor vehicle is

presented for repairs; and

(h) A statement of the symptoms, as described by the customer, for which the repairs were sought.

Sec. 4. Minnesota Statutes 1986, section 325F62, subdivision 3, is amended to read:

Subd. 3. Each shop shall conspicuously display a sign that states the following: "Upon a customer's request, this shop is required to provide a written estimate for repairs costing \$100 to \$2,000 if the shop agrees to perform the repairs. The shop's final price cannot exceed its written estimate by more than ten percent without the prior authorization of the customer". *You must request that the estimate be in writing. An oral estimate is not subject to the above repair cost limitations. If the shop charges a fee for the storage or care of repaired motor vehicles or appliances, the shop shall conspicuously display a sign that states the amount assessed for storage or care, when the charge begins to accrue, and the interval of time between assessments."*

Amend the title as follows:

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

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

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 1844: A bill for an act relating to commerce; motor vehicles; regulating motor vehicle franchises; clarifying the intent of the legislature regarding cancellations, terminations, or nonrenewals; specifying unfair practices; prohibiting agreements designed to waive, nullify, or modify statutory regulation; requiring lessors to title and register vehicles; amending Minnesota Statutes 1986, sections 80E.06; 80E.07; 80E.08; 80E.09; 80E.13; and 168.27, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 80E.

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

Page 9, line 16, after "*chapter*" insert "*, or prevent a new motor vehicle dealer from bringing an action in a particular forum otherwise available under law*"

Page 9, delete section 7

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, delete everything after the semicolon

Page 1, line 8, delete "register vehicles;"

Page 1, line 9, before "80E.13" insert "and" and after the last semicolon, delete "and"

Page 1, line 10, delete everything before "proposing"

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

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 1758: A bill for an act relating to health; clarifying an existing statute that requires insurance plans to cover the services provided by a registered nurse engaged in advanced nursing practice to the same extent that the services would be covered if provided by a physician; including nurse practitioners and clinical specialists in psychiatric or mental health nursing among the roles specifically listed as examples of advanced nursing practice; amending Minnesota Statutes 1986, section 62A.15, subdivision 3a.

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

Page 2, line 11, delete "EFFECTIVE DATE" and insert "APPLICABILITY"

Page 2, line 12, delete "*is effective 60 days following final enactment*"

Page 2, line 13, delete "and" and after "all" insert "*individual and*"

Page 2, line 14, delete "*that date*" and insert "*the effective date*"

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

Mr. Schmitz from the Committee on Local and Urban Government, to which was re-referred

S.F. No. 1930: A bill for an act relating to state and local government; establishing the Minnesota advisory commission on intergovernmental relations; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 15B.

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

Page 1, line 19, before the semicolon, insert "*, or their designees*"

Page 2, line 3, before the comma, insert "*or city council members*"

And when so amended the bill do pass and be re-referred to the Committee on Governmental Operations. Amendments adopted. Report adopted.

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 1749: A bill for an act relating to the city of Minneapolis; providing conditions for contractors bonds; amending Laws 1980, chapter 595, section 3, by adding a subdivision.

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

Page 1, lines 13 and 24, delete "*at discretion*" and insert "*in accordance with criteria adopted by the Minneapolis city council by ordinance*"

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

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 1473: A bill for an act relating to Morrison county; authorizing the board of county commissioners to levy a tax for the building fund.

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

Page 1, line 14, delete "1987" and insert "1988" and delete "1988" and insert "1989"

Page 1, line 15, delete "1996" and insert "1997" and delete "1997" and insert "1998"

And when so amended the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Amendments adopted. Report adopted.

Mr. Bertram from the Committee on Veterans, to which was referred

S.F. No. 1618: A bill for an act relating to armories; increasing the limit on bonded indebtedness; amending Minnesota Statutes 1986, section 193.143.

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

Page 5, after line 3, insert:

"Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

And when so amended the bill do pass. Mr. Merriam questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 1650: A bill for an act relating to human services; providing for the eligibility for and calculation of general assistance and AFCD grants; amending Minnesota Statutes 1986, sections 256.73, subdivisions 2 and 6; 256.76, subdivision 1; 256D.02, subdivision 7, and by adding a subdivision; 256D.06, by adding a subdivision; and 256D.07; Minnesota Statutes 1987 Supplement, sections 256D.01, subdivision 1a; and 256D.06, subdivision 1.

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

Page 4, after line 4, insert:

"Sec. 3. Minnesota Statutes 1986, section 256.73, is amended by adding a subdivision to read:"

Page 4, line 5, delete "7" and insert "8"

Page 4, line 14, delete everything after the period

Page 4, delete lines 15 and 16

Page 4, line 17, delete "is less." and insert "For any month in which an overpayment must be recovered, recoupment may be made by reducing the grant but only if the reduced assistance payment, together with the

assistance unit's total income after deducting work expenses as allowed under section 256.74, subdivision 1, clauses (3) and (4), equals at least 95 percent of the standard of need for the assistance unit, except that if the overpayment is due solely to agency error, this total after deducting allowable work expenses must equal at least 99 percent of the standard of need. Notwithstanding the preceding sentence, beginning on the date on which the commissioner implements a computerized client eligibility and information system in one or more counties, all local agencies in the state shall reduce the assistance payment by three percent of the assistance unit's standard of need or the amount of the monthly payment, whichever is less, for all overpayments whether or not the overpayment is due solely to agency error."

Page 4, after line 30, insert:

"Sec. 4. Minnesota Statutes 1986, section 256.73, is amended by adding a subdivision to read:"

Page 4, line 31, delete "8" and insert "9"

Page 4, after line 33, insert:

"Sec. 5. Minnesota Statutes 1986, section 256.73, is amended by adding a subdivision to read:"

Page 4, line 34, delete "9" and insert "10"

Page 5, after line 2, insert:

"Sec. 6. Minnesota Statutes 1986, section 256.73, is amended by adding a subdivision to read:"

Page 5, line 3, delete "10" and insert "11"

Page 5, line 12, after the period, insert "*A decision on an application for assistance shall be made as promptly as possible and no more than 30 days from the date of application.*"

Page 11, line 10, after the period, insert "*The first grant may be reduced by the amount of emergency general assistance provided to the applicant.*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, delete "AFCD" and insert "AFDC"

Page 1, line 5, after "6" insert ", and by adding subdivisions"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 1857: A bill for an act relating to human services; providing for the duration of work incentive subsidized housing emergency rules; requiring mandatory school attendance for certain AFDC recipients who are minors; providing for implementation of the food stamp employment and training program; appropriating money; amending Minnesota Statutes 1986, sections 245.771, by adding a subdivision; 256.736, by adding subdivisions; Minnesota Statutes 1987 Supplement, section 256.736, subdivisions 1b and 4.

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

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1986, section 245.771, is amended by adding a subdivision to read:

Subd. 3. [EMPLOYMENT AND TRAINING PROGRAMS.] The commissioner of human services may contract with the commissioner of jobs and training to implement and supervise employment and training programs for food stamp recipients that are required by federal regulations.

Sec. 2. Minnesota Statutes 1987 Supplement, section 256.736, subdivision 1b, is amended to read:

Subd. 1b. [WORK INCENTIVE SUBSIDIZED HOUSING PROGRAM.] Within the limit of available appropriations, employed recipients of aid to families with dependent children who meet eligibility requirements established by the commissioner of human services are eligible for a state housing subsidy as an incentive to seek and retain employment. The commissioner of human services shall adopt rules for the work incentive subsidized housing program using eligibility criteria, subsidy amounts, and an administrative system developed jointly by the commissioner of human services and the commissioner of jobs and training. Unless superseded by permanent rules, emergency rules adopted to implement this section remain in effect until July 1, 1989. The rules must:

(1) target recipients who are or are likely to become long-term recipients or who experience substantial barriers to employment;

(2) establish a fixed or sliding scale subsidy amount that will create a significant work incentive yet enable the program to serve the greatest possible number of recipients;

(3) limit the subsidy to persons who become employed while receiving assistance; and

(4) provide for continued subsidy payments for up to one year after termination of assistance to ease the transition from assistance to self-sufficiency.

The program must be coordinated with existing work and training programs and must be designed to maximize savings in the aid to families with dependent children program. The subsidy must be provided as in-kind assistance, and it is not available if it would be considered countable income under state and federal requirements.

Sec. 3. Minnesota Statutes 1986, section 256.736, is amended by adding a subdivision to read:

Subd. 1c. [EDUCATION INCENTIVE PROGRAM.] (a) Within the limits of available appropriations, a recipient who is either a minor parent living with his or her child or a pregnant minor and who meets the requirements of this subdivision is eligible for a subsidy for child care, nonschool transportation, or clothing and food items for the recipient's child as an incentive to attend and complete the recipient's education through high school or its equivalent. The subsidy must be provided as in-kind assistance and is not available if it would be considered countable income under state and federal law.

(b) A recipient who is either a minor parent living with his or her child or a pregnant minor and who is attending a school as defined in section 4, paragraph (a), is eligible for an education incentive subsidy according to the following schedule:

No. of consecutive school days attended without an unexcused absence per calendar month	Value of Voucher
5	\$ 7.50
10	17.50
15	30.00
20	45.00

The term "school day" means a day when school is in session for purposes of calculating the required minimum number of school days under section 124.19.

(c) The educational incentive subsidy must:

(1) be in the form of a voucher for the purchase of clothing, diapers, or food items for the minor parent's child, for the provision of child care services outside normal school hours, or for the purchase of nonschool transportation services;

(2) be calculated on at least a monthly basis and be provided to the recipient no later than the eighth day following the end of the preceding month;

(3) continue until the recipient receives a high school diploma, earns a graduate equivalency diploma, or is no longer a recipient, whichever occurs first;

(4) not be calculated on a pro rata basis; and

(5) be vouchered to a vendor chosen by the recipient, provided the vendor furnishes the goods or services described in clause (1).

(d) For purposes of calculating the education incentive subsidy under this subdivision, an absence with good cause as described in section 4, paragraph (d), is not a break in the number of consecutive days of school attendance but does not count as an attended school day. Absence from school for any other reason is an unexcused absence.

(e) Every six months beginning August 1, 1988, the commissioner shall mail to each recipient who is a pregnant minor or a minor parent a written notice informing the recipient of the availability of the education subsidy, the eligibility conditions, and an application for the education subsidy with instructions on how to apply for the subsidy.

(f) In order to implement this section, and notwithstanding section 13.32, subdivision 3, schools shall furnish and verify information about school attendance to the commissioner and to case management services providers for the purpose of establishing eligibility for and the amount of the education subsidy.

(g) Every recipient who has applied for an education subsidy must be given monthly notice of his or her eligibility for and the amount of the subsidy and of the right to request a fair hearing in accordance with section 256.045 and the Code of Federal Regulations, title 45, section 205.10. Pending the outcome of an appeal, the subsidy must be issued in the amount

determined by the case manager based on information provided by the school. If the appeal is decided in the recipient's favor, the additional subsidy voucher to which the recipient is entitled must be promptly issued.

(h) The commissioner shall report to the legislature by January 1, 1990, on the effectiveness of the education incentive program in improving school attendance and performance.

Sec. 4. Minnesota Statutes 1986, section 256.736, is amended by adding a subdivision to read:

Subd. 3b. [MANDATORY SCHOOL ATTENDANCE FOR MINOR PARENTS.] (a) [DEFINITIONS.] The definitions in this paragraph apply to this subdivision.

(1) "Minor parent" means a recipient of AFDC who is under age 18 and who is the natural or adoptive parent of a child living with the minor parent.

(2) "School" means:

(i) an educational program which leads to a high school diploma. The program or coursework may be, but is not limited to, a program under the post-secondary enrollment options of section 123.3514, a regular or alternative program of an elementary or secondary school, a technical institute, or a college;

(ii) coursework for a general educational development (GED) diploma of not less than six hours of classroom instruction per week; or

(iii) any other post-secondary educational program that is approved by the public school or the local agency under subdivision 11.

(b) [SCHOOL ATTENDANCE REQUIRED.] Notwithstanding section 256.736, subdivision 3, a minor parent must attend school if all of the following apply:

(1) the minor parent has no child living with the parent who is younger than six weeks of age;

(2) transportation services needed to enable the minor parent to attend school are available;

(3) licensed or legal nonlicensed child care services needed to enable the minor parent to attend school are available;

(4) the minor parent has not already graduated from high school and has not received a general educational development (GED) diploma; and

(5) the minor parent does not have good cause for failing to attend school, as provided in paragraph (d).

(c) [ENROLLMENT AND ATTENDANCE.] The minor parent must be enrolled in school and meeting the school's attendance requirements. The minor parent is considered to be attending when the minor parent is enrolled but the school is not in regular session, including holidays and summer breaks.

(d) [GOOD CAUSE FOR NOT ATTENDING SCHOOL.] The local agency shall determine whether good cause for not attending school exists, according to this paragraph:

(1) Good cause exists when the minor parent is ill or injured seriously

enough to prevent the minor parent from attending school.

(2) Good cause exists when the minor parent's child is ill or injured and the minor parent's presence in the home is required to care for the child.

(3) Good cause exists when the local agency has verified that the only available school program requires round trip commuting time from the minor parent's residence of more than two hours by available means of transportation, excluding the time necessary to transport children to and from child care.

(4) Good cause exists when there is an interruption in availability of child care services.

(5) Good cause exists when the minor parent has indicated a desire to attend school, but the public school system is not providing for the minor parent's education and alternative programs are not available.

(6) Good cause exists when the school does not cooperate with the local agency in providing verification of the minor parent's education or attendance.

(7) Good cause exists when the minor parent or the minor parent's child has a medical appointment or an appointment with the local welfare agency, is required to appear in court during the minor parent's normal school hours, or has any other obligation consistent with the case management contract.

(e) [FAILURE TO COMPLY.] If the school notifies the local agency that the minor parent is not enrolled or is not meeting the school's attendance requirements and the local agency determines that the minor parent does not have good cause, the local agency shall apply the sanctions listed in subdivision 4 beginning with the first payment month after issuance of notice.

(f) [NOTICE AND HEARING.] A right to notice and fair hearing shall be provided in accordance with section 256.045 and the Code of Federal Regulations, title 45, section 205.10.

(g) [SOCIAL SERVICES.] When a minor parent has failed to attend school and does not have good cause, the local agency shall refer the minor parent to social services for services, as provided in section 257.33.

(h) [VERIFICATION.] No less often than quarterly, the local agency must verify that the minor parent is meeting the requirements of this subdivision. Notwithstanding section 13.32, subdivision 3, when the local agency notifies the school that a minor parent is subject to this subdivision, the school must furnish verification of school enrollment and attendance to the local agency.

Sec. 5. Minnesota Statutes 1986, section 256.736, is amended by adding a subdivision to read:

Subd. 3c. [MINOR PARENTS NOT LIVING WITH RELATIVES.] (a) This subdivision applies to a minor parent who is not living with a parent or other adult relative and who is not living in a group or foster home licensed by the commissioner.

(b) For purposes of this subdivision, the following terms have the meanings given them:

(1) "Minor parent" means an applicant for or recipient of AFDC who is under age 18 and who is the natural or adoptive parent of a child living

with the minor parent.

(2) "Other adult relative" means a person who qualifies to be an eligible relative caretaker for AFDC, as specified in federal regulations.

(c) The agency shall determine, for each minor parent who applies for or receives AFDC, whether this section applies. For a minor parent to whom this section applies, the local agency shall refer the minor parent to its social services unit within 30 days of the date the application for assistance is approved for development of a social service plan as required in section 257.33. The agency shall notify the minor parent of the referral to social services and that cooperation in developing and participating in a social service plan is required in order for AFDC eligibility to continue.

(d) In addition to meeting the requirements of section 257.33, the social service plan may, based upon the social service unit's evaluation of the minor caretaker's needs and parenting abilities and the health, safety, and parenting needs of the minor caretaker's child, require the minor caretaker to live in a group or foster home or participate in available programs that teach skills in parenting or independent living.

(e) If the minor parent fails to cooperate in developing or participating in the social service plan, the social services unit shall notify the income maintenance unit of the local agency, which shall then notify the minor parent of the determination and that the sanctions in subdivision 4 will be applied.

Sec. 6. Minnesota Statutes 1987 Supplement, section 256.736, subdivision 4, is amended to read:

Subd. 4. [CONDITIONS OF CERTIFICATION.] The commissioner of human services shall:

(1) Arrange for or provide any caretaker or child required to participate in employment and training services pursuant to this section with child-care services, transportation, and other necessary family services;

(2) Pay 10 percent of the cost of the work incentive program and any other costs that are required of that agency by federal regulation for employment and training services for recipients of aid to families with dependent children;

(3) Provide that in determining a recipient's needs any monthly incentive training payment made to the recipient by the department of jobs and training is disregarded and the additional expenses attributable to participation in a program are taken into account in grant determination to the extent permitted by federal regulation; and

(4) Provide that when it has been certified by the county board that a caretaker or child required to participate in an employment and training program has been found by the employment and training service provider to have refused without good cause to participate in appropriate employment and training services or to have refused without good cause to accept a bona fide offer of public or other employment, the county board shall provide that the county board shall impose the sanctions in clause (5) or (6) when the county board:

(a) is notified that a caretaker or child required to participate in employment and training services has been found by the employment and training

service provider to have failed without good cause to participate in appropriate employment and training services or to have failed without good cause to accept a bona fide offer of public or other employment;

(b) determines that a minor parent who is required to attend school under section 4 has, without good cause, failed to attend school;

(c) determines that section 5 applies to a minor parent and the minor parent has, without good cause, failed to cooperate with development of a social service plan or to participate in execution of the plan, to live in a group or foster home, or to participate in a program that teaches skills in parenting and independent living; or

(d) determines that a caretaker has, without good cause, failed to attend orientation.

(5) To the extent permissible by federal law, the following sanctions must be imposed for a recipient's failure to participate in required employment and training services, education, orientation, or the requirements of section 5:

(a) For the first failure, 50 percent of the grant provided to the family for the month following the failure must be made in the form of protective or vendor payments;

(b) For the second and subsequent failures, the entire grant provided to the family must be made in the form of protective or vendor payments. Assistance provided to the family must be in the form of protective or vendor payments until the recipient complies with the requirement; and

(c) When protective payments are required, the local agency may continue payments to the caretaker if a protective payee cannot reasonably be found.

(6) When the sanctions provided by clause (5) are not permissible under federal law, the following sanctions must be imposed for a recipient's failure to participate in required employment and training services, education, orientation, or the requirements of section 5:

(a) If the caretaker ~~makes the refusal~~ fails to participate, the caretaker's needs shall not be taken into account in making the grant determination, and aid for any dependent child in the family will be made in the form of protective or vendor payments, except that when protective payments are made, the local agency may continue payments to the caretaker if a protective payee cannot reasonably be found. The standard of assistance for the remaining eligible members of the assistance unit is the standard that is used in other instances in which the caretaker is excluded from the assistance unit for noncompliance with a program requirement.

(b) Aid with respect to a dependent child will be denied if a child who ~~makes the refusal~~ fails to participate is the only child receiving aid in the family.

(c) If there is more than one child receiving aid in the family, aid for the child who ~~makes the refusal~~ fails to participate will be denied and the child's needs will not be taken into account in making the grant determination.

(d) If the assistance unit's eligibility is based on the nonexempt principal earner's unemployment and this principal earner fails ~~or refuses~~ without good cause to participate or to accept employment, the entire assistance unit is ineligible for benefits under sections 256.72 to 256.87.

Sec. 7. Minnesota Statutes 1987 Supplement, section 256.736, subdivision 11, is amended to read:

Subd. 11. [CASE MANAGEMENT SERVICES.] (a) For clients described in subdivision 2a, the case manager shall:

(1) Assess the education, skills, and ability of the caretaker to secure and retain a job which, when added to child support, will support the caretaker's family. The case manager must work with the caretaker in completing this task;

(2) Set goals and develop a timetable for completing education and employment goals. The case manager must work with the caretaker in completing this task. For caretakers who are not literate or who have not completed high school, the first goal for the caretaker must be to complete literacy training or a general education diploma. Caretakers who are literate and have completed high school shall be counseled to set realistic attainable goals, taking into account the long-term needs of both the caretaker and the caretaker's family;

(3) Coordinate services such as child care, transportation, and education assistance necessary to enable the caretaker to work toward the goals developed in clause (2). When a client needs child care services in order to attend a Minnesota public or nonprofit college, university or technical institute, the case manager shall contact the appropriate agency to reserve child care funds for the client. A caretaker who needs child care services in order to complete high school or a general education diploma is eligible for child care under section 268.91;

(4) Develop, execute, and monitor a contract between the local agency and the caretaker. The contract must include: (a) specific goals of the caretaker including stated measurements of progress toward each goal; (b) specific services provided by the county agency; and (c) conditions under which the county will withdraw the services provided;

The contract may include other terms as desired or needed by either party. In all cases, however, the case manager must ensure that the caretaker has set forth in the contract realistic goals consistent with the ultimate goal of self-sufficiency for the caretaker's family; and

(5) Develop and refer caretakers to counseling or peer group networks for emotional support while participating in work, education, or training.

(b) In addition to the duties in paragraph (a), for minor parents *and pregnant minors*, the case manager shall:

(1) Ensure that the contract developed under paragraph (a)(4) considers all factors set forth in section 257.33, subdivision 2; ~~and~~

(2) Assess the housing and support systems needed by the caretaker in order to provide the dependent children with adequate parenting. The case manager shall encourage minor parents *and pregnant minors* who are not living with friends or relatives to live in a group home or foster care setting. If minor parents *and pregnant minors* are unwilling to live in a group home or foster care setting or if no group home or foster care setting is available, the case manager shall assess ~~the minor parent's~~ *their* need for training in parenting and independent living skills and *when appropriate* shall refer ~~appropriate minor parents~~ *them* to available counseling programs designed to teach needed skills; *and*

(3) *Inform the minor parent or pregnant minor of, and assist them in evaluating the appropriateness of, the high school graduation incentives program under section 126.22, including post-secondary enrollment options, and the employment-related and community-based instruction programs.*

(c) A caretaker may request a conciliation conference to attempt to resolve disputes regarding the contents of a contract developed under this section or a housing and support systems assessment conducted under this section. The caretaker may request a hearing pursuant to section 256.045 to dispute the contents of a contract or assessment developed under this section. The caretaker need not request a conciliation conference in order to request a hearing pursuant to section 256.045.

Sec. 8. Minnesota Statutes 1987 Supplement, section 268.91, subdivision 1, is amended to read:

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

(a) "Child care services" means child care provided in family day care homes, group day care homes, nursery schools, day nurseries, child day care centers, play groups, head start, and parent cooperatives, or in the child's home.

(b) "Child" means a person 12 years old or younger, or a person age 13 or 14 who is handicapped, as defined in section 120.03.

(c) "Commissioner" means the commissioner of human services.

(d) "Child care" means the care of a child by someone other than a parent or legal guardian in or outside the child's own home for gain or otherwise, on a regular basis, for any part of a 24-hour day.

(e) "County board" means the board of county commissioners in each county.

(f) "Education program" means remedial or basic education or English as a second language instruction, high school education, a program leading to a general equivalency diploma, and post-secondary education excluding post-baccalaureate programs.

(g) "Employment program" means employment of recipients financially eligible for the child care sliding fee program, vocational assessment, and job readiness and job search activities.

(h) *"Family" means parents, stepparents, guardians, or other caretaker relatives, and their blood related dependent children and adoptive siblings under the age of 18 years living in the same home including children temporarily absent from the household in settings such as schools, foster care, and residential treatment facilities. When a minor parent or parents and his, her, or their children are living with other relatives, and the minor parent or parents apply for child care subsidy, "family" means only the minor parent or parents and the child. An adult may be considered a dependent member of the family unit if 50 percent of the adult's support is being provided by the parents, stepparents, guardians, or other caregiver relatives residing in the same household.*

(i) "Human services board" means a board established under section 402.02, Laws 1974, chapter 293, or Laws 1976, chapter 340.

(j) *"Income" means earned or unearned income received by all family*

members 16 years or older, including public assistance benefits, unless specifically excluded. The following are excluded from income: scholarships and grants that cover costs for tuition, fees, books, or educational supplies; student loans for tuition fees, books, supplies, and living expenses; in-kind income such as food stamps, energy assistance, medical assistance and housing subsidies; income from summer or part-time employment of 16-, 17- and 18-year-old full-time secondary school students; and non-recurring lump sum income only to the extent that it is earmarked and used for the purpose for which it is paid.

(⊕) (k) "Provider" means the child care license holder or the legal non-licensed caregiver who operates a family day care home, a group family day care home, a day care center, a nursery school, or a day nursery, or who functions in the child's home.

(⊕) (l) "Post-secondary educational systems" means the University of Minnesota board of regents, the state university board, the state board for community colleges, and the state board of vocational technical education.

(⊕) (m) "AFDC priority groups" means the recipients defined in section 256.736, subdivision 2a.

(⊕) (n) "AFDC" means aid to families with dependent children.

Sec. 9. Minnesota Statutes 1987 Supplement, section 268.91, subdivision 3, is amended to read:

Subd. 3. [ALLOCATION.] (a) By June 1 of each odd-numbered year, the commissioner shall notify all county and human services boards and post-secondary educational systems of their allocation. If the appropriation is insufficient to meet the needs in all counties, the amount must be prorated among the counties.

(b) Except for set-aside money allocated under subdivisions 3a, 3b, 3c, and 3d, the commissioner shall allocate money appropriated between the metropolitan area, comprising the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington, and the area outside the metropolitan area so that no more than 55 percent of the total appropriation goes to either area after excluding allocations for statewide administrative costs. The commissioner shall allocate 50 percent of the money among counties on the basis of the number of families below the poverty level, as determined from the most recent special census, and 50 percent on the basis of caseloads of aid to families with dependent children for the preceding fiscal year, as determined by the commissioner of human services.

(c) Once each quarter, the commissioner shall review the use of child care fund allocations by county. ~~In accordance with the formula found in paragraph (b).~~ The commissioner may reallocate unexpended or unencumbered money among those counties who have expended their full portion. Any unexpended money from the first year of the biennium may be carried forward to the second year of the biennium.

Sec. 10. Minnesota Statutes 1987 Supplement, section 268.91, subdivision 3b, is amended to read:

Subd. 3b. [SET-ASIDE MONEY FOR AFDC PRIORITY GROUPS.] (a) Set-aside money for AFDC priority groups must be allocated among the counties based on the average monthly number of caretakers receiving AFDC under the age of 21 and the average monthly number of AFDC cases open 24 or more consecutive months. For each fiscal year the average

monthly caseload shall be based on the 12-month period ending March 31 of the previous fiscal year. The commissioner may reallocate quarterly unexpended or unencumbered set-aside money to counties that expend their full allocation. The county shall use the set-aside money for AFDC priority groups *and for former AFDC recipients who (1) have had their child care subsidized under the set-aside for AFDC priority groups; (2) continue to require a child care subsidy in order to remain employed; and (3) are on a waiting list for the basic sliding fee program.*

(b) The county shall develop cooperative agreements with the employment and training service provider for coordination of child care funding with employment, training, and education programs for aid to families with dependent children priority groups. The cooperative agreement shall specify that individuals receiving employment, training, and education services under an employability plan from the employment and training service provider shall, as resources permit, be guaranteed set-aside money for child care assistance from the county of their residence.

(c) Counties may contract for administration of the program or may arrange for or contract for child care funds to be used by other appropriate programs, in accordance with this section and as permitted by federal law and regulations.

(d) If the commissioner finds, on or after January 1 of a fiscal year, that set-aside money for AFDC priority groups is not being fully utilized, the commissioner may permit counties to use set-aside money for other eligible applicants, as long as priority for use of the money will continue to be given to the AFDC priority groups.

(e) A county may claim federal reimbursement under the AFDC special needs program for money spent for persons listed in subdivision 3a, clause (1). The commissioner shall allocate any federal earnings to the county. The county shall use the money to expand services to AFDC recipients under the child care sliding fee program.

Sec. 11. Minnesota Statutes 1987 Supplement, section 268.91, subdivision 3c, is amended to read:

Subd. 3c. [SET-ASIDE MONEY FOR AFDC POST-SECONDARY STUDENTS.] (a) For the fiscal year ending June 30, 1988, set-aside money for persons listed in subdivision 3a, clause (2), shall be allocated to the counties based on caseloads of aid to families with dependent children for the preceding fiscal year, as determined by the commissioner. For succeeding fiscal years, the commissioner shall, in cooperation with the director of the higher education coordinating board, develop a formula for allocation of the funds to counties based on the number of AFDC caretakers in each county who are enrolled at post-secondary institutions.

(b) Money allocated in paragraph (a) must be used for child care expenses of AFDC recipients attending post-secondary educational programs, excluding post-baccalaureate programs, and making satisfactory progress towards completion of the program.

(c) Once each quarter the commissioner shall review the use of child care fund allocations under this subdivision by county. The commissioner may reallocate unexpended or unencumbered money among those counties that have expended their full portion for the purposes of this subdivision.

(d) A county may claim federal reimbursement under the AFDC special

needs program for money spent for persons listed in subdivision 3a, clause (2). The commissioner shall allocate any federal earnings to the county. The county shall use the money to expand services to AFDC recipients under the child care sliding fee program.

(e) Recipients of AFDC who have completed their post-secondary education and had received child care funds during that education shall be assured, to the extent of available resources allocations, of sliding fee money for employment programs after graduation if they meet sliding fee program eligibility standards.

Sec. 12. Minnesota Statutes 1987 Supplement, section 268.91, subdivision 3e, is amended to read:

Subd. 3e. [USE OF MONEY.] Money for persons listed in subdivision 3a, clauses (2) and (3), shall be used to reduce the costs of child care for students, including the costs of child care for students while employed if enrolled in an eligible education program at the same time and making satisfactory progress towards completion of the program. The county may plan for and provided child care assistance to persons listed in subdivision 3a, clauses (2) and (3), from the regular sliding fee fund to supplement the set-aside funds. *Financially eligible* students ~~provided who have received~~ child care assistance for one academic year shall be provided child care assistance in the following academic year, ~~providing they remain financially eligible~~ *if funds allocated under subdivision 3c or 3d are available.*

Sec. 13. Minnesota Statutes 1987 Supplement, section 268.91, subdivision 4, is amended to read:

Subd. 4. [FINANCIAL ELIGIBILITY.] (a) Child care services must be available to families who need child care to find or keep employment or to obtain the training or education necessary to find employment and who:

- (1) receive aid to families with dependent children;
- (2) have household income below the eligibility levels for aid to families with dependent children; or
- (3) have household income within a range established by the commissioner.

(b) Child care services for the families receiving aid to families with dependent children must be made available as in-kind services, to cover any difference between the actual cost and the amount disregarded under the aid to families with dependent children program. Child care services to families whose incomes are below the threshold of eligibility for aid to families with dependent children, but that are not receiving aid to families with dependent children, must be made available without cost to the families.

(c) Child care services to families with incomes in the commissioner's established range must be made available on a sliding fee basis. The lower limit of the sliding fee range must be the eligibility limit for aid to families with dependent children. The upper limit of the range must be neither less than 70 percent nor more than 90 percent of the state median income for a family of four, adjusted for family size.

(d) If a disproportionate amount of the available money is provided to any one of the groups described in subdivision 4, paragraph (a), the county board shall document to the commissioner the reason the group received a disproportionate share. If a county projects that its child care allocation is insufficient to meet the needs of all eligible groups, it may prioritize

among the groups to be served. *If a county maintains a waiting list of applicants for the sliding fee program, it shall place at the top of the list former AFDC recipients who (1) have had their child care subsidized under the set-aside for AFDC priority groups; (2) continue to require a child care subsidy in order to remain employed; and (3) continue to have their child care needs paid for out of the set-aside for AFDC priority groups until money is available through the basic sliding fee program.* Counties shall assure that a person receiving child care assistance from the sliding fee program prior to July 1, 1987, continues to receive assistance, providing the person meets all other eligibility criteria. Set-aside money must be prioritized by the state, and counties do not have discretion over the use of this money.

(e) Annual income of the applicant family is the current monthly income of the family multiplied by 12 or the income for the 12-month period immediately preceding the date of application, whichever provides the most accurate assessment of income available to the family. Self-employment income must be calculated based on gross receipts less operating expenses. Income must be redetermined when the family's income changes, but no less often than every six months. Income must be verified with documentary evidence. If the applicant does not have sufficient evidence of income, verification must be obtained from the source of the income.

Sec. 14. Minnesota Statutes 1987 Supplement, section 268.91, subdivision 12, is amended to read:

Subd. 12. [FAIR HEARING PROCESS.] (a) ~~Applicants and recipients have the option to request the county to conduct a conciliation conference to attempt to resolve complaints arising from any of the following actions:~~

- ~~(1) a determination of ineligibility for child care assistance;~~
- ~~(2) unauthorized termination of child care assistance;~~
- ~~(3) determination of the factors considered in setting the family fee; and~~
- ~~(4) income redetermination resulting in change of a family fee.~~

~~(b) The county shall notify the applicant or the recipient, in writing, of any adverse action. The determination described in paragraph (a), clauses (1) and (3), must include written notice of the applicant's or recipient's right to the election described in paragraph (c), where and how to request the election, the time limit within which to make the request, and the reasons for the determination. Notice of the proposed actions described in paragraph (a), clauses (2) and (4), must be mailed to the applicant or recipient at least 15 calendar days before the effective date of the action. The notice must clearly state what action the county proposes to take, the effective date of the proposed action, the reasons for the proposed action, the necessary corrective measures, the option to request either a conciliation conference or an administrative hearing, where and how to make the request, the time limits within which a request must be made, and the consequence of the action.~~

~~(c) An applicant or recipient who receives a determination or notice of proposed action under paragraph (b) must mail or deliver either a written notice of request for a conciliation conference to the administering agency or a written notice of request for the hearing specified under paragraph (e) to the administering agency on or before the effective date of the proposed action or the date specified in the notice, or the action will be final.~~

(d) The county shall provide a conciliation conference within 30 days of receipt of a written request.

The county shall give the applicant or recipient ten calendar days' notice of the conference date. The applicant or recipient and the county's representative have the right to appear, to bring witnesses, and to submit documentation. The written request and the resolution, if any, of the conference shall be maintained as part of the official record. The county's representative shall issue a written resolution only if mutual agreement is reached between the county's representative and the applicant or recipient. The resolution must be signed by both parties and issued the same day as the conciliation conference is held. Participating in a conciliation conference or signing a resolution does not constitute a waiver of the right to an administrative hearing.

An applicant or recipient may, within 15 calendar days of the conference, mail or deliver a written request to the administering agency for an administrative hearing. Unless an appeal is requested, a determination, proposed action, or resolution of a conciliation conference will be final after the 15-day period has passed.

(e) A fair hearing shall be conducted in the manner prescribed by section 268-10, subdivision 3. A right to review will be provided in accordance with section 268-10, subdivision 5. The proposed action will not take effect until the appeal is decided by the administrative hearing process.

An applicant or recipient adversely affected by a county agency action may request a fair hearing in accordance with section 256.045, subdivision 3. The county agency shall offer an informal conference to applicants and recipients adversely affected by an agency action to attempt to resolve the dispute. The county agency shall advise adversely affected applicants and recipients that a request for a conference with the agency is optional and does not delay or replace the right to a fair hearing.

Sec. 15. [APPROPRIATION.]

\$460,000 is appropriated from the general fund to the commissioner of human services for fiscal years 1988 and 1989 to implement the food stamp employment and training program.

\$. . . is appropriated from the general fund to the commissioner of human services for the education incentive subsidy program established in section 3, to be available until expended.

Sec. 16. [EFFECTIVE DATE.]

Sections 9 and 10 are effective July 1, 1988."

Delete the title and insert:

"A bill for an act relating to human services; providing for the duration of work incentive subsidized housing emergency rules; requiring mandatory school attendance for certain AFDC recipients who are minors; expanding case management services for minor parents to include pregnant minors; establishing an education incentive subsidy program; providing for implementation of the food stamp employment and training program; authorizing the use of AFDC priority group child care assistance money for priority caretakers who are former AFDC recipients but continue to require child care assistance; requiring counties to place former AFDC priority caretakers who continue to need child care assistance at the top of the waiting

list for the regular sliding fee child care program; providing definitions of family and income for purposes of the sliding fee program; changing appeal procedures; appropriating money; amending Minnesota Statutes 1986, sections 245.771, by adding a subdivision; 256.736, by adding subdivisions; Minnesota Statutes 1987 Supplement, sections 256.736, subdivisions 1b, 4, and 11; and 268.91, subdivisions 1, 3, 3b, 3c, 3e, 4, and 12."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

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

S.F. No. 1121: A bill for an act relating to motor vehicles; establishing titling system for salvage and rebuilt motor vehicles; providing penalties; amending Minnesota Statutes 1986, sections 168.27, subdivisions 1, 2, 3, 10, 16, and 17, and by adding subdivisions; 168A.01, subdivision 1, and by adding subdivisions; and 168A.15; proposing coding for new law in Minnesota Statutes, chapter 168A.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 168.27, subdivision 1, is amended to read:

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

(1) "Leasing motor vehicles" means furnishing a motor vehicle for a fee under a bailor-bailee relationship where no incidences of ownership are intended to be transferred other than the right to use the vehicle for a stated period of time.

(2) "Brokering motor vehicles" means arranging sales between willing buyers and sellers of motor vehicles and receiving a fee for said service.

(3) "Wholesaling motor vehicles" means selling new or used motor vehicles to dealers for resale to the public.

(4) "Auctioning motor vehicles" means arranging for and handling the sale of motor vehicles, not the property of the auctioneer, to the highest bidder.

(5) "Dealer" includes new motor vehicle dealers, used motor vehicle dealers, brokers, wholesalers, auctioneers and lessors of new or used motor vehicles, scrap metal processors, used vehicle parts dealers, and salvage pools.

(6) "Commercial building" means a building adapted to commercial use and located in an area zoned for commercial or other less restrictive non-residential use by the governmental unit in which it is located.

(7) "Horse trailer" is a trailer designed and used to carry horses and other livestock, which has not more than three axles and a maximum gross weight capacity of not more than 24,000 pounds.

(8) "Junked vehicle" means a vehicle that is graded and stamped as a "class D" total loss vehicle under section 19.

Sec. 2. Minnesota Statutes 1986, section 168.27, subdivision 2, is amended

to read:

Subd. 2. [NEW MOTOR VEHICLE DEALER.] (a) No person shall engage in the business of selling or arranging the sale of new motor vehicles or shall offer to sell, solicit, arrange, or advertise the sale of new motor vehicles without first acquiring a new motor vehicle dealer license. A new motor vehicle dealer licensee shall be entitled thereunder to sell, broker, wholesale, or auction and to solicit and advertise the sale, broker, wholesale, or auction of new motor vehicles covered by the franchise and any used motor vehicles or to lease and to solicit and advertise the lease of new motor vehicles and any used motor vehicles and such sales or leases may be either for consumer use at retail or for resale to a dealer. *A new motor vehicle dealer may engage in the business of buying or otherwise acquiring vehicles for dismantling the vehicles and selling used parts and remaining scrap materials under chapter 168A, except that a new motor vehicle dealer may not purchase a junked vehicle from a salvage pool, insurance company, or its agent unless the dealer is also licensed as a used vehicle parts dealer.* Nothing herein shall be construed to require an applicant for a dealer license who proposes to deal in: (1) new and unused motor vehicle bodies; or (2) type A, B, or C motor homes as defined in section 168.011, subdivision 25, to have a bona fide contract or franchise in effect with either the first-stage manufacturer of the motor home or the manufacturer or distributor of any motor vehicle chassis upon which the new and unused motor vehicle body is mounted. The modification or conversion of a new van-type vehicle into a multipurpose passenger vehicle which is not a motor home does not constitute dealing in new or unused motor vehicle bodies, and a person engaged in the business of selling these van-type vehicles must have a bona fide contract or franchise with the appropriate manufacturer under subdivision 10. A van converter or modifier who owns these modified or converted van-type vehicles may sell them at wholesale to new motor vehicle dealers having a bona fide contract or franchise with the first-stage manufacturer of the vehicles.

(b) The requirements pertaining to franchises do not apply to persons who remodel or convert motor vehicles for medical purposes. For purposes of this subdivision, "medical purpose" means certification by a licensed physician that remodeling or conversion of a motor vehicle is necessary to enable a handicapped person to use the vehicle.

Sec. 3. Minnesota Statutes 1986, section 168.27, subdivision 3, is amended to read:

Subd. 3. [USED MOTOR VEHICLE DEALER.] No person shall engage in the business of selling or arranging the sale of used motor vehicles or shall offer to sell, solicit, arrange, or advertise the sale of used motor vehicles without first acquiring a used motor vehicle dealer license. A used motor vehicle dealer licensee shall be entitled thereunder to sell, lease, broker, wholesale or auction and to solicit and advertise the sale, lease, broker, wholesale or auction of any used motor vehicles for consumer use at retail or for resale to a dealer. *A used motor vehicle dealer may engage in the business of buying or otherwise acquiring vehicles for dismantling the vehicles and selling used parts and remaining scrap materials under chapter 168A, except that a used motor vehicle dealer may not acquire a junked vehicle from a salvage pool, insurance company, or its agent, unless the dealer is also licensed as a used vehicle parts dealer.*

Sec. 4. Minnesota Statutes 1986, section 168.27, is amended by adding

a subdivision to read:

Subd. 3a. [SCRAP METAL PROCESSOR.] (a) A person must have a scrap metal processor license to engage in the business of:

(1) buying or otherwise acquiring vehicles other than hulks; or

(2) offering to buy or otherwise acquire, or soliciting or advertising the buying or acquiring of, vehicles other than hulks for processing and selling the metal for remelting. For purposes of this subdivision, a "hulk" is a motor vehicle that is incapable, under its own power, of moving and is incapable of transporting persons or property and has had any valuable used parts removed. Its sole value is its metallic content.

(b) A scrap metal processor licensee is entitled to buy or otherwise acquire vehicles and to solicit and advertise the buying or acquiring of vehicles for processing and selling the metal for remelting. A scrap metal processor licensee may not acquire a junked vehicle for the purpose of dismantling and selling used vehicle parts and remaining scrap materials unless the scrap metal processor is also licensed as a used vehicle parts dealer.

Sec. 5. Minnesota Statutes 1986, section 168.27, is amended by adding a subdivision to read:

Subd. 3b. [USED VEHICLE PARTS DEALER.] A person must have a used vehicle parts dealer's license to be primarily engaged in the business of buying or otherwise acquiring vehicles for the purpose of dismantling the vehicles and selling used parts and the remaining scrap metals.

Sec. 6. Minnesota Statutes 1986, section 168.27, is amended by adding a subdivision to read:

Subd. 3c. [VEHICLE SALVAGE POOL.] A person must have a vehicle salvage pool license to engage in the business of: storing and displaying, offering to store or display, or soliciting or advertising the storing or displaying of, damaged or junked vehicles as an agent or escrow agent of an insurance company. A vehicle salvage pool licensee is entitled to store and display and to solicit and advertise the storing and displaying of damaged or junked vehicles as an agent or escrow agent of an insurance company. A vehicle salvage pool licensee shall not sell junked vehicles to any party other than a licensed used parts dealer.

Sec. 7. Minnesota Statutes 1986, section 168.27, subdivision 8, is amended to read:

Subd. 8. [EXEMPTIONS.] (1) Salespeople and other employees of licensed dealers under this section shall not be required to obtain individual licenses.

(2) Isolated or occasional sales or leases of new or used motor vehicles shall be exempt from the provisions of this section. A person who makes only isolated or occasional sales or leases is not required to be licensed under this section and does not qualify to receive dealer plates under subdivision 16. "Isolated or occasional sales or leases" means the sale, purchase, or lease of not more than five motor vehicles in a 12-month period.

Sec. 8. Minnesota Statutes 1986, section 168.27, subdivision 10, is amended to read:

Subd. 10. [PLACE OF DOING BUSINESS.] All licensees under this

section shall have an established place of business which shall include as a minimum:

(1) For a new motor vehicle dealer, the following:

(a) a permanent enclosed commercial building on a permanent foundation, owned or under lease by the licensee. The lease shall be for a minimum term of one year. The building shall contain office space where the books, records, and files necessary to conduct the business are kept and maintained with personnel available during normal business hours;

(b) a bona fide contract or franchise (1) in effect with a manufacturer or distributor of the new motor vehicles the dealer proposes to sell, broker, wholesale, or auction, or (2) in effect with the first-stage manufacturer or distributor of new motor vehicles purchased from a van converter or modifier which the dealer proposes to sell, broker, wholesale, or auction, or (3) in effect with the final stage manufacturer of the new type A, B, or C motor homes which the dealer proposes to sell, broker, wholesale, or auction;

(c) a facility for the repair and servicing of motor vehicles and the storage of parts and accessories, not to exceed ten miles distance from the principal place of business. Such service may be provided through contract with bona fide operators actually engaged in such services;

(d) *an area to display motor vehicles, which is owned or under lease by the licensee.*

(2) For a used motor vehicle dealer *or vehicle salvage pool*, the following: a ~~permanent enclosed commercial building on a permanent foundation and an area to display motor vehicles~~, owned or under lease by the licensee. The lease shall be for a minimum term of one year. The building shall contain office space ~~for~~ where the books, records, and files necessary to conduct the business *are kept* and maintained with personnel available during normal business hours or automatic telephone answering service during normal ~~working~~ *business* hours.

(3) For a motor vehicle lessor *or wholesaler*, the following: a commercial office space where the books, records, and files necessary to conduct the business are kept and maintained with personnel available during normal business hours or an automatic telephone answering service during normal business hours.

(4) For a ~~motor vehicle broker used parts dealer or scrap metal processor~~, the following: a ~~commercial office space street address~~ where the books, records, and files necessary to conduct the business are kept and maintained with personnel available during normal business hours or an automatic telephone answering service during normal business hours.

(5) For a motor vehicle wholesaler, the following: a ~~commercial office space where the books, records and files necessary to conduct the business are kept and maintained with personnel available during normal business hours or an automatic telephone answering service during normal business hours.~~

(6) For a motor vehicle auctioneer, the following: a permanent enclosed commercial building, within or without the state, on a permanent foundation, owned or under lease by the licensee. The lease shall be for a minimum term of one year. The building shall contain office space where the books, records, and files necessary to conduct the business are kept and maintained with personnel available during normal business hours or

an automatic telephone answering service during normal business hours.

(7) (6) If a new or used motor vehicle dealer or *salvage pool* maintains more than one place of doing business in a county, the separate places shall be listed on the application. If additional places of business are maintained outside of one county, separate licenses shall be obtained for each county.

(8) (7) If a motor vehicle lessor, ~~broker~~ *wholesaler, used parts dealer, scrap metal processor, or auctioneer* maintains more than one permanent place of doing business, either in one or more counties, the separate places shall be listed in the application, but only one license shall be required.

Sec. 9. Minnesota Statutes 1987 Supplement, section 168.27, subdivision 16, is amended to read:

Subd. 16. [PLATES, DISTINGUISHING NUMBERS.] (a) The registrar shall issue to every motor vehicle dealer, upon a request from the motor vehicle dealer licensed as provided in subdivision 2 or 3, one or more plates displaying a general distinguishing number upon the payment of \$10 to the registrar. *This subdivision does not apply to a scrap metal processor, a used vehicle parts dealer, or a vehicle salvage pool.* In addition the dealer shall pay a motor vehicle excise tax of \$15 annually for each dealer plate purchased as required by section 297B.035. The registrar shall deposit the tax in the state treasury and it shall be credited as provided in section 297B.09. Motor vehicles, new or used, owned by the motor vehicle dealer and bearing the number plate, except vehicles leased to the user who is not an employee of the dealer during the term of the lease, held for hire, or customarily used by the dealer as a tow truck, service truck, or parts pickup truck, may be driven upon the streets and highways of this state as follows:

(1) by the motor vehicle dealer, or any employee of the motor vehicle dealer or by any member of the immediate family of the dealer or employee for either private or business purposes;

(2) for demonstration purposes by any prospective buyer thereof for a period of 48 hours or in the case of a truck, truck-tractor, or semitrailer, for a period of seven days; or

(3) in a promotional event that lasts no longer than four days in which at least three motor vehicles are involved.

(b) A new or used motor vehicle sold by the motor vehicle dealer and bearing the motor vehicle dealer's number plate may be driven upon the public streets and highways for a period of 72 hours by the buyer for either of the following purposes: (1) Removing the vehicle from this state for registration in another state, or (2) permitting the buyer to use the motor vehicle before the buyer receives number plates pursuant to registration. Use of a motor vehicle by the buyer under the provisions of clause (2) of the preceding sentence before the buyer receives number plates pursuant to registration constitutes a use of the public streets or highways for the purpose of the time requirements for registration of motor vehicles.

Sec. 10. Minnesota Statutes 1986, section 168.27, subdivision 24, is amended to read:

Subd. 24. [BONDS.] All persons licensed hereunder shall keep in full force and effect a bond with a corporate surety to be approved by the registrar of motor vehicles in amounts as herein provided; in the case of boat *trailer*, snowmobile trailer, horse trailer or motorized bicycle dealers in the amount of \$5,000; and as to all other persons in the amount of

\$25,000. The bond shall be conditioned on the faithful performance by the licensee of the obligations imposed by the laws of this state, including the conduct required of a licensee by this section and other sections governing the sale or transfer of motor vehicles, and the payment of all taxes, license fees, and penalties. The bond shall be for the benefit of the state of Minnesota and any transferor, seller, or purchaser of a motor vehicle for any monetary loss caused by failure of the licensee to meet the obligations enumerated above. Proceedings on the forfeiture of the bonds shall be commenced in the district court of the county wherein the business of the licensed person was carried on, or if in more than one county, the county in which the offense occurred. *This subdivision does not apply to a used vehicle parts dealer or a scrap metal processor.*

Sec. 11. Minnesota Statutes 1986, section 168.33, subdivision 7, is amended to read:

Subd. 7. [FEES.] In addition to all other statutory fees and taxes, a filing fee of \$3.25 is imposed on every application; except that a filing fee may not be charged for a document returned for a refund or for a correction of an error made by the department or a deputy registrar. The filing fee shall be shown as a separate item on all registration renewal notices sent out by the department of public safety. *No filing fee or other fee may be charged for the surrender of a certificate of title for a motor vehicle.*

Sec. 12. Minnesota Statutes 1986, section 168A.01, subdivision 2, is amended to read:

Subd. 2. "Dealer" ~~means a person who is licensed to engage in the business of buying, selling, or exchanging vehicles, and has an established place of business, in this state has the meaning given it in section 168.27, subdivision 1.~~

Sec. 13. Minnesota Statutes 1986, section 168A.01, is amended by adding a subdivision to read:

Subd. 6a. "High value vehicle" means a vehicle manufactured six or more years before the start of the current model year that had an actual cash value in excess of \$5,000 before being damaged, or a vehicle with a manufacturer's rating of over 26,000 pounds gross vehicle weight.

Sec. 14. Minnesota Statutes 1986, section 168A.01, is amended by adding a subdivision to read:

Subd. 8a. "Late model vehicle" means a vehicle manufactured in the current model year or the five model years immediately preceding the current model year.

Sec. 15. Minnesota Statutes 1986, section 168A.01, is amended by adding a subdivision to read:

Subd. 12a. "Older model vehicle" means a vehicle manufactured in the sixth model year immediately preceding the current model year or earlier that is not a high value vehicle.

Sec. 16. Minnesota Statutes 1986, section 168A.01, is amended by adding a subdivision to read:

Subd. 17a. "Salvage title" means a certificate of title that is issued to a vehicle graded and stamped as a "class C" total loss vehicle under section 19.

Sec. 17. Minnesota Statutes 1986, section 168A.01, is amended by adding a subdivision to read:

Subd. 17b. "Salvage vehicle" means a vehicle that has been graded and stamped under section 19.

Sec. 18. Minnesota Statutes 1986, section 168A.15, is amended to read:

~~168A.15 [SCRAPPED, DISMANTLED, DESTROYED OR RECONSTRUCTED VEHICLES.]~~

~~Subdivision 1. An owner who scraps, dismantles, or destroys a vehicle and a person who purchases a vehicle as scrap or to be dismantled or destroyed shall immediately cause the certificate of title to be mailed or delivered to the department for cancellation. A certificate of title of the vehicle shall not again be issued except upon application containing the information the department requires, accompanied by a certificate of inspection in the form and content specified in section 168A.04, subdivision 4, clause (3).~~

~~Subd. 2. If a vehicle is altered so as to become a reconstructed vehicle, the owner shall apply for a certificate of title to the reconstructed vehicle in the manner provided in section 168A.04, and any existing certificate of title to the vehicle shall be surrendered for cancellation.~~

Sec. 19. [168A.151] [GRADING OF LATE MODEL AND HIGH VALUE VEHICLES.]

Subdivision 1. [INSURERS.] When an insurer, licensed to conduct business in Minnesota, acquires ownership of a late model or high value vehicle through payment of damages, the insurer shall stamp and grade the assigned certificate of title as required under subdivision 3 and comply with all requirements of this chapter.

Subd. 2. [DEALERS.] When a dealer acquires ownership of a late model or high value vehicle and receives an assigned certificate of title, the dealer shall stamp and grade the certificate of title as required by subdivision 3, and comply with all requirements of this chapter.

Subd. 3. [GRADING.] An insurer or dealer who acquires ownership of a late model or high value vehicle as described in subdivision 1 or 2 must grade and stamp the certificate of title as follows:

(a) A "class A" total loss vehicle means a vehicle with damage of less than ten percent of the actual cash value, as approved by an insurer.

(b) A "class B" total loss vehicle means a vehicle with damage of at least ten percent but less than 70 percent of the vehicle's actual cash value, as approved by an insurer.

(c) A "class C" total loss vehicle means a vehicle with damage of at least 70 percent of the vehicle's actual cash value that is repairable.

(d) A "class D" total loss vehicle means a vehicle with damage of at least 70 percent of the vehicle's actual cash value that is unrepairable, such as a total fire loss or a vehicle that cannot be restored for public use. A "class D" total loss vehicle may not be retitled, and the certificate of title must be surrendered to the department even if the vehicle is an out-of-state vehicle. A salvage pool, insurance company, or its agent may sell a "class D" total loss vehicle only to a licensed used parts dealer.

Subd. 4. [OTHER OWNERS.] When a person other than a dealer or

insurer acquires ownership of a late model or high value vehicle that is a "class C" total loss vehicle, the person shall surrender the assigned certificate of title to the department and apply for a salvage certificate of title.

Sec. 20. [168A.152] [USE AND CERTIFICATION OF TITLE.]

A salvage certificate of title authorizes the holder to possess, transport, register, and transfer ownership in a vehicle. A certificate of title must not be issued for a vehicle for which a salvage certificate of title has been issued unless a certification of inspection in the form and content specified by the department accompanies the application for a certificate of title.

Sec. 21. [168A.153] [REPORT OF VEHICLE RECEIPT; SURRENDER OF CERTIFICATE.]

Subdivision 1. [OLDER MODEL VEHICLES.] A dealer who buys an older model vehicle to be dismantled or destroyed shall report to the department within 30 days including the vehicle's license plate number and identification number, and the seller's name and driver's license number.

Subd. 2. [LATE MODEL OR HIGH VALUE VEHICLES.] A dealer who buys a late model or high value vehicle to be dismantled or destroyed shall surrender the certificate of title and a properly completed application for a salvage certificate of title to the department within ten days.

Sec. 22. [168A.154] [SALVAGE VEHICLES TAKEN OUT OF STATE.]

A dealer who sells a salvage vehicle to a buyer who intends to remove the vehicle from the state shall report the sale within ten days to the department on a form prescribed by the department.

Sec. 23. [EFFECTIVE DATE.]

Sections 1 to 22 are effective January 1, 1989."

Delete the title and insert:

"A bill for an act relating to motor vehicles; establishing a titling system for salvage and rebuilt motor vehicles; requiring licenses for scrap metal processors, used vehicle parts dealers, and salvage pool operators; amending Minnesota Statutes 1986, sections 168.27, subdivisions 1, 2, 3, 8, 10, 24, and by adding subdivisions; 168.33, subdivision 7; 168A.01, subdivision 2, and by adding subdivisions; and 168A.15; Minnesota Statutes 1987 Supplement, section 168.27, subdivision 16; proposing coding for new law in Minnesota Statutes, chapter 168A."

And when so amended the bill do pass and be re-referred to the Committee on Commerce. Amendments adopted. Report adopted.

Mr. Bertram from the Committee on Veterans, to which was referred

S.F. No. 1595: A bill for an act relating to state agencies; returning the control of the Minnesota veterans home to the department of veterans affairs.

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

Delete everything after the enacting clause and insert:

"Section 1. [196.021] [DEPUTY COMMISSIONERS TO BE

APPOINTED; DUTIES.]

Subdivision 1. [APPOINTMENT.] The commissioner shall appoint a deputy commissioner for veteran services as provided in subdivision 2, and the board of directors of the Minnesota veterans homes may appoint a deputy commissioner for veteran health care as provided in section 7. Both deputy commissioners serve in the unclassified service, the deputy for veteran services at the pleasure of the commissioner and the deputy for veteran health care at the pleasure of the board. The salary of both deputies is not subject to section 43A.17, subdivision 1. Both deputies shall be residents of Minnesota, citizens of the United States, and veterans as defined in section 197.447.

Subd. 2. [DEPUTY FOR VETERAN SERVICES; POWERS AND DUTIES.] The deputy commissioner for veteran services has those powers delegated by the commissioner that have not otherwise been delegated to the deputy commissioner for veteran health care by the commissioner or assigned to that deputy commissioner by law. A delegation must be in writing, signed by the commissioner, and filed with the secretary of state.

Sec. 2. Minnesota Statutes 1986, section 196.03, is amended to read:

196.03 [OFFICERS AND EMPLOYEES.]

Except as provided in chapter 198, all officers and employees of the department shall be appointed by the commissioner and they shall perform such duties as may be assigned to them by the commissioner.

Sec. 3. Minnesota Statutes 1986, section 196.05, is amended to read:

196.05 [DUTIES OF COMMISSIONER.]

The commissioner shall:

(1) Act as the agent of a resident of the state having a claim against the United States for benefits arising out of or by reason of service in the armed forces and prosecute the claim without charge;

(2) Act as custodian of veterans' bonus records;

(3) Administer the laws relating to the providing of bronze flag holders at veterans' graves for memorial purposes;

(4) Administer the laws relating to recreational or rest camps for veterans so far as applicable to state agencies;

(5) Administer the state soldiers' welfare fund and veterans' relief fund and other funds appropriated for the payment of bonuses or other benefits to veterans or for the rehabilitation of veterans;

(6) Cooperate with national, state, county, municipal, and private social agencies in securing to veterans and their dependents the benefits provided by national, state, and county laws, municipal ordinances, or public and private social agencies;

(7) Provide necessary assistance where other adequate aid is not available to the dependent family of a veteran while the veteran is hospitalized and after the veteran is released for as long a period as is necessary as determined by the commissioner;

(8) Act as the guardian of the estate for a minor or an incompetent person receiving moneys from the United States government when requested to do so by an agency of the United States of America provided sufficient

personnel are available;

(9) Cooperate with United States governmental agencies providing compensation, pensions, insurance, or other benefits provided by federal law, by supplementing the benefits prescribed therein, when conditions in an individual case make it necessary;

(10) Assist in implementing state laws, rights and privileges relating to the reemployment of veterans upon their separation from the armed forces;

(11) Contact, at times as the commissioner deems proper, war veterans, as defined in section 197.447, who are confined in a public institution; investigate the treatment accorded those veterans and report annually to the governor the results of the investigations; and the heads of the public institutions shall permit the commissioner, or the commissioner's representative, to visit any veteran; and, if the commissioner, or the commissioner's representative requests any information relative to any veteran and the veteran's affairs, the head of the institution shall furnish it; and

(12) *Exercise* other powers as may be authorized and necessary to carry out the provisions of this chapter and chapters 197 and 198, *consistent with those chapters.*

Sec. 4. Minnesota Statutes 1986, section 198.001, is amended to read:

198.001 [DEFINITIONS.]

Subdivision 1. For the purposes of this chapter, the terms defined in this section have the meanings given them.

Subd. 2. "Resident" means a person admitted to *any of the Minnesota veterans ~~home~~ homes.*

Subd. 4. "Administrator" means ~~the~~ *an administrator of any of the Minnesota veterans ~~home~~ homes.*

Subd. 5. "Commissioner" means the commissioner of veterans affairs.

Subd. 6. "Board" means *the board of directors of the Minnesota veterans homes, created by section 5.*

Subd. 7. "Deputy commissioner" means *the deputy commissioner of veterans affairs for veteran health care.*

Subd. 8. "Home" means *any of the Minnesota veterans homes.*

Sec. 5. [198.002] [BOARD OF DIRECTORS.]

Subdivision 1. [CREATION.] *The Minnesota veterans homes are governed by a board of directors appointed by the governor.*

Subd. 2. [MEMBERSHIP.] *The board consists of nine voting members appointed by the governor with the advice and consent of the senate. The members of the board shall fairly represent the geographic areas of the state. The members are:*

(1) *a chair, designated by the governor;*

(2) *three public members experienced in policy formulation and knowledgeable about health care delivery; and*

(3) *five members who are members of congressionally chartered veterans organizations that have a statewide organizational structure and state level officers in Minnesota.*

The commissioner of veterans affairs and the chair of the senate veterans affairs committee and the chair of the house committee on general legislation, veterans affairs and gaming serve as ex officio, nonvoting members of the board.

Subd. 3. [TERMS; COMPENSATION.] Membership terms, compensation of members, removal of members, and filling of vacancies are as provided in section 15.0575.

Subd. 4. [INITIAL APPOINTMENTS.] Initial appointments to the board of directors are not subject to section 15.0597.

Subd. 5. [ADMINISTRATIVE SERVICES.] The commissioner of veterans affairs shall provide administrative services to the board necessary for it to carry out its responsibilities.

Subd. 6. [FUTURE ELIMINATION.] If the governor fails to appoint a board, or if the board is eliminated by any other means, its authority vests in the commissioner of veterans affairs.

Sec. 6. [198.003] [POWERS AND DUTIES.]

(a) It is the duty of the board and the board has the power to:

(1) determine policy and, subject to chapter 14, adopt, amend, and repeal rules for the governance of the homes;

(2) report quarterly to the governor on the management, operations, and quality of care provided at the homes;

(3) designate a person to participate as a member of the interagency board for quality assurance established under section 144A.31; and

(4) take other action as provided by law.

(b) The board may appoint a deputy commissioner who shall serve as secretary of the board.

Sec. 7. [198.004] [DEPUTY COMMISSIONER FOR VETERAN HEALTH CARE TO BE APPOINTED; DUTIES.]

Subdivision 1. [APPOINTMENT.] The board may appoint a deputy commissioner of veterans affairs for veteran health care who shall have the training, experience, and other qualifications in the field of health care management as the board determines.

Subd. 2. [POWERS AND DUTIES.] If a deputy commissioner is appointed by the board, the deputy commissioner is the administrative head of the veterans homes and has the powers and duties provided by law and delegated by the commissioner. A delegation must be in writing, signed by the commissioner, and filed with the secretary of state. If appointed, the deputy commissioner shall:

(1) act as an advisor to the board and shall also act as its secretary;

(2) attend the meetings of the board;

(3) prepare and recommend to the board policies and rules for governance of the homes;

(4) appoint an administrator of each home with the approval of the board;

(5) appoint other employees of the homes in accordance with chapter

43A, which appointment power must be delegated to administrators;

(6) define the duties of the administrators and employees, and delegate to the administrators those powers and duties determined by the deputy, subject to the control of the deputy;

(7) with the assistance of the administrators, prepare and submit biennial and annual budgets for the homes to the board and with the approval of the board submit the budgets to the commissioner of veterans affairs for review and comment. The commissioner shall forward the budgets to the commissioner of finance as part of the department's budget;

(8) report to the board, at least quarterly, on the management, operations, and quality of care at the homes; and

(9) with the approval of the board, perform other duties as may be required for the management and administration of the homes.

Sec. 8. [198.005] [ADMINISTRATORS.]

If a deputy commissioner of veteran health care is appointed by the board, the deputy commissioner shall, with the approval of the board, appoint an administrator for each of the veterans homes. The administrators act as the administrative head for their respective veterans homes. The administrators shall have a current Minnesota nursing home administrator's license and shall serve in the unclassified service. The salaries of the administrators are not subject to section 43A.17, subdivision 1. The deputy commissioner may remove an administrator with the approval of the board. If a deputy commissioner is not appointed by the board, the board shall appoint the administrators.

Sec. 9. [198.006] [SUPPLEMENTAL PROGRAMS.]

The board of directors shall work with federal, state, local, and private agencies to develop alternative institutional and noninstitutional care programs for veterans to supplement the mission of the homes. Veterans shall be afforded the least restrictive, most appropriate level of care available.

Sec. 10. [198.007] [QUALITY ASSURANCE.]

The board shall use the case-mix system established under section 144.072 to assess the appropriateness and quality of care and services provided residents of the homes.

The board shall adopt a preadmission screening program, such as the one established under section 256B.091, for all applicants for admission to the homes who may require nursing or boarding care.

Sec. 11. Minnesota Statutes 1986, section 198.01, is amended to read:

198.01 [VETERANS HOME; ELIGIBILITY OF VETERANS.]

The Minnesota veterans home shall provide a home nursing care and related health and social services for veterans and their spouses, surviving spouses, and parents, who meet eligibility and admission requirements, and who comply with the rules of the Minnesota veterans home. Persons who served in the armed forces of the United States during a period of war, and who were discharged or released from the armed forces under conditions other than dishonorable, and who did not receive a bad conduct discharge, shall be eligible for admission to the Minnesota veterans home. Persons who received bad conduct or dishonorable discharges from the armed forces of the United States as a result of drug

dependency or abuse shall be eligible for admission to the Minnesota veterans home. The word "veteran" as used in this section means any person who is a citizen of the United States or resident alien and has been separated under honorable conditions from any branch of the armed forces of the United States: (a) after service on active duty for 181 consecutive days; or, (b) after service during a period of war; or, (c) by reason of disability incurred while serving on active duty has the meaning provided in section 197.447. A "period of war" is:

- (1) The Spanish American War, April 21, 1898, through July 4, 1902.
 - (a) Includes Philippine Insurrection and Boxer Rebellion.
 - (b) Includes service in Moro Province, April 21, 1898, through July 15, 1903.
- (2) World War I, April 6, 1917, through April 1, 1920.
 - (a) Includes service in Russia, April 16, 1917, through April 1, 1920.
 - (b) Includes service through July 2, 1921, if active duty performed during basic war period.
- (3) World War II, December 7, 1941, through December 31, 1946 and through July 25, 1947, if continuous duty began on or before December 31, 1946.
- (4) The Korean Conflict, June 27, 1950, through January 31, 1955.
- (5) The Vietnam era, August 5, 1964, through July 27, 1973.

Sec. 12. Minnesota Statutes 1986, section 198.022, is amended to read:

198.022 [ELIGIBILITY OF SPOUSES, SURVIVING SPOUSES, PARENTS.]

The commissioner board is hereby authorized to admit eligible spouses accompanying veterans, or to admit spouses, surviving spouses and parents of those veterans who are or if living would be, eligible for admission to the home homes.

(1) All applicants for admission to the Minnesota veterans home must be without adequate means of support and unable by reason of wounds, disease, old age, or infirmity to properly maintain themselves.

(2) Veterans must have served in a Minnesota regiment or have been credited to the state of Minnesota, or have been a resident of the state preceding the date of application for admission.

(3) Spouses, surviving spouses, and parents of eligible veterans must be at least 55 years of age, and have been residents of the state of Minnesota preceding the date of application for admission.

(4) A surviving spouse, eligible for admission except that the veteran did not serve in a Minnesota regiment or was not a resident of Minnesota at the time of death may be eligible for admission provided the surviving spouse has resided in the state not less than 15 years next preceding the date of application for admission.

(5) A spouse, surviving spouse or parent of the veteran who has previously been a resident of Minnesota for not less than ten years and who lost residency in the state by moving therefrom for the benefit of health or the health of a spouse or child, and who has returned to the state for

the purpose of making it home is eligible for admission to the veterans home provided the spouse is otherwise eligible.

(6) A spouse or surviving spouse of a veteran of the Civil War shall be eligible for admission if married to the veteran prior to the year 1905. A spouse or surviving spouse of a veteran of the Spanish-American War, the Philippine Insurrection, or the Boxer Rebellion shall be eligible for admission if married to the veteran prior to December 31, 1937.

Sec. 13. Minnesota Statutes 1986, section 198.03, is amended to read:
198.03 [MAINTENANCE CHARGES.]

Any person otherwise eligible for admission to the Minnesota veterans home homes, except that the person has means of support, may, at the discretion of the commissioner of veterans affairs board, be admitted to one of the Minnesota veterans home homes upon entering into and complying with the terms of a contract made by the person with the commissioner board, providing for reasonable compensation to be paid by such person to the state of Minnesota for care, support, and maintenance in the home. Any earnings derived by the person from participating in a work therapy program while the person is a resident of the home may not be considered a means of support.

Sec. 14. Minnesota Statutes 1986, section 198.05, is amended to read:
198.05 [NEW BUILDINGS.]

The department of administration shall have and exercise full authority in the erection and construction of new buildings at the veterans home homes. When new buildings are to be erected and constructed by authority of the state or old buildings to be remodeled it shall be the duty of the department of administration to cause to be prepared plans and specifications for the same, but in so doing it shall consult with the commissioner board in respect to these plans and specifications and shall adopt and carry out, so far as it deems practicable, their requests and desires in the matter.

Sec. 15. Minnesota Statutes 1986, section 198.065, is amended to read:
198.065 [CHIROPRACTIC CARE AVAILABILITY.]

In addition to the other services now provided to residents of the Minnesota veterans home homes, the commissioner board shall provide chiropractic services. The services shall be provided, as appropriations permit, without charge to residents by a licensed chiropractor who is either employed by the commissioner board for the purpose or who has contracted with the commissioner board to provide the services.

Sec. 16. [198.066] [GERIATRIC RESEARCH AND TEACHING.]

The board of directors shall develop a geriatric research and teaching mission for the homes in collaboration with the Veterans Administration and other medical education and allied health facilities.

Sec. 17. Minnesota Statutes 1986, section 198.075, is amended to read:

198.075 [MINNESOTA VETERANS HOME EMPLOYEES; EXCLUDED FROM COMMISSARY PRIVILEGES.]

No commissary privileges including food, laundry service, janitorial service, and household supplies shall be furnished to any employee of the Minnesota veterans home homes.

Sec. 18. Minnesota Statutes 1986, section 198.16, is amended to read:

198.16 [DONATIONS; GENERAL PURPOSES.]

The ~~commissioner~~ *board* is ~~hereby~~ authorized to accept on behalf of the state any gift, grant, bequest, or devise made for the purposes of this chapter, and administer the same as directed by the donor. All proceeds therefrom including moneys derived from the sale of any real or personal property shall be deposited in the state treasury and credited to the Minnesota veterans home endowment, bequest, and devises fund. Said fund shall consist of two accounts, one of which shall include any trusts prescribed by the donor, the other shall include any currently expendable proceeds. Disbursements from this fund shall be made in the manner provided for the issuance of other state warrants.

Whenever the ~~commissioner~~ *board* shall deem it advisable, in accordance with law, to sell or otherwise dispose of any real or personal property thus acquired, the commissioner of administration upon the request of the ~~commissioner of veterans affairs~~ *board* shall sell or otherwise dispose of said property in the manner provided by law for the sale or disposition of other state property by the commissioner of administration.

Sec. 19. Minnesota Statutes 1986, section 198.161, is amended to read:

198.161 [DONATIONS; PARTICULAR PURPOSES.]

The commissioner may accept donations and gifts of money for the benefit of the residents of the ~~home~~ *homes*. All moneys so received shall be deposited in a separate account ~~at~~ *for* the home and records shall be kept, clearly showing the identity of the donor, the purpose of the donation and the ultimate disposition of the donation. Each donation shall be duly receipted and shall be expended or used by the ~~commissioner~~ *board* as nearly in accordance with the condition of the gift or donation as is compatible with the best interests of the residents of the ~~home~~ *homes*. The donations so received to the extent they are made to the state of Minnesota are hereby appropriated to the ~~commissioner of veterans affairs~~ *board* for the purposes of this chapter.

Sec. 20. Minnesota Statutes 1986, section 198.23, is amended to read:

198.23 [PERSONAL PROPERTY OF RESIDENTS; WILLS.]

Upon the decease of any resident of the ~~home~~ *homes*, the ~~commissioner~~ *board* shall cause such of the resident's personal estate as may be left in the resident's possession to be disposed of pursuant to the resident's will, if any. All property of the deceased resident of the home not so bequeathed by will, and remaining ~~at~~ *the a* home, unclaimed, for one year after the resident's death, shall be inventoried, appraised, and sold, and the proceeds thereof paid into the state treasury to the credit of the Minnesota veterans ~~home~~ *homes* endowment, bequest and devises fund.

Sec. 21. Minnesota Statutes 1986, section 198.231, is amended to read:

198.231 [PERSONAL PROPERTY OF DISCHARGED RESIDENTS.]

Personal property of discharged residents of the veterans ~~home~~ *homes* that remains unclaimed for one year after discharge may be inventoried, appraised, and sold. The proceeds from the sale must be deposited into the state treasury. Proceeds from the sale of personal property and any funds held on behalf of the resident in the member's depository accounts must be credited to a separate state account and disposed of in accordance with

sections 345.41 to 345.43.

Sec. 22. Minnesota Statutes 1986, section 198.261, is amended to read:
198.261 [CANTEEN AND COFFEE SHOP]

Any profits derived from the operation of the ~~canteen~~ *canteens* and coffee ~~shop~~ *shops* at the Minnesota veterans ~~home~~ *homes* shall be used by the ~~commissioner~~ *board* only for the direct benefit of the residents of the ~~home~~ *homes*.

Sec. 23. Minnesota Statutes 1986, section 198.265, is amended to read:
198.265 [DEPOSITORY ACCOUNTS.]

The ~~commissioner~~ *board* may accept moneys from residents for safe keeping purposes to be returned to such residents on demand. Sufficient money shall be retained at the ~~home~~ *homes* to satisfy normal demand withdrawal requests of the residents and other anticipated needs. Residents' deposits shall otherwise be deposited in the state treasury to a separate investment account provided by the commissioner of finance, which shall be invested by the state board of investment in accordance with section 11A.21. Residents' moneys on deposit in this account may be placed in this account only after the member has signed an agreement that the resident is willing to have the money in an account that does not draw interest directly to the resident personally.

There is annually appropriated from the account established by this section a sufficient amount to return to the Minnesota veterans ~~home~~ *homes*, upon written request, sufficient money to satisfy the demand of residents for the return of their money and other requirements.

The interest earned from the investment of the deposits is annually appropriated to the commissioner from the account established by this section to be used by the ~~commissioner~~ *board* only for the direct benefit of the residents of the ~~home~~ *homes*, and the interest shall be available to the ~~home~~ *homes* not less than twice each year.

Sec. 24. Minnesota Statutes 1986, section 198.266, is amended to read:
198.266 [IMPREST CASH FUNDS.]

The ~~commissioner~~ *board* may establish an imprest cash fund in accordance with section 15.191, subdivision 2. The purpose of the fund is to maintain sufficient money to satisfy normal demand withdrawal requests from residents of the veterans homes as provided for in section 198.265. The fund may also be utilized for the payment of costs for residents to participate in on campus work therapy programs.

Sec. 25. Minnesota Statutes 1986, section 198.31, is amended to read:
198.31 [VETERANS HOME, HASTINGS.]

Control of the state hospital facilities at Hastings is transferred to the ~~commissioner of veterans affairs~~ *board*. This transfer includes the cemetery. The ~~commissioner~~ *board* shall establish a 200 bed veterans home in these facilities. The veterans home shall be licensed in accordance with the boarding care rules of the department of health. ~~To the extent practical,~~ the veterans home at Hastings shall be operated in the same manner as provided for the Minnesota veterans home at Minneapolis by sections 198.001 to 198.265.

Sec. 26. Minnesota Statutes 1986, section 198.32, is amended to read:

198.32 [VETERANS HOME; COMPLAINTS; RESIDENT'S RIGHTS.]

Subdivision 1. [RESIDENT'S RIGHTS.] A resident of ~~the~~ a Minnesota veterans home has the right to complain and otherwise exercise freedom of expression and assembly which is guaranteed by amendment I of the United States Constitution. The administrator of the home shall inform each resident in writing at the time of admission of the right to complain to the administrator about home accommodations and services. A notice of the right to complain shall be posted in the home. The administrator shall also inform each resident of the right to complain to the *board* or to the commissioner of veterans affairs. Each resident of ~~the~~ a home shall be encouraged and assisted, throughout the period of stay in the home, to understand and exercise the rights of freedom of expression and assembly as a resident and as a citizen, and, to this end, the resident may voice grievances and recommend changes in policies and services to home staff, other residents, and outside representatives of the resident's choice, free from restraint, interference, coercion, discrimination, or reprisal, including retaliatory eviction. A resident of ~~the~~ a home may not be denied any tenant rights available under chapter 566, including the right to recover possession of the premises.

Subd. 2. [RETALIATION PROHIBITED.] ~~The~~ An administrator may not retaliate against any resident who exercises the right to voice grievances by evicting the resident. There shall be a rebuttable presumption that any eviction within 45 days of the exercise by a resident of the right to voice grievances is retaliatory.

Sec. 27. Minnesota Statutes 1986, section 198.33, is amended to read:

198.33 [PRIVACY OF RESIDENTS; SEARCH AND SEIZURE LIMITED TO CRIMINAL WARRANT.]

Subdivision 1. [SEARCHES PROHIBITED.] Residents of the Minnesota veterans ~~home~~ *homes* have the right to a legitimate expectation of privacy in their persons and property against unreasonable searches and seizures. A search of a resident's room or property may be conducted only when necessary to protect the residents from weapons, illegal drugs, or alcohol, if possession is prohibited by the ~~commissioner~~ *board*, and is subject to the following:

(a) Prior to conducting a search of a resident's room or property, the administrator shall provide written authorization to conduct the search. This authorization must identify the resident whose room or property is to be searched, state the nature of the risk to the health or safety of that resident or to other individuals in the home, set forth the facts which establish that the risk exists and the source of those facts, and particularly describe the area to be searched and the property to be seized. A separate authorization must be completed for each resident whose room or property is to be searched.

(b) The resident shall be informed of the reasons necessitating a search of the room or property and shall be present during the conduct of the search if the resident requests to be present. A copy of the administrator's authorization must be given to the resident.

(c) If property or other items are taken, a written receipt describing the property or items taken must be given to the resident.

(d) The provisions of this section do not restrict the entry by employees of the home into a resident's room or into areas where the personal possessions of residents are stored for the purpose of providing care or services to the resident or for housekeeping and maintenance purposes. The provisions of this section do not apply to inspections conducted by governmental agencies for the purpose of assessing compliance with state or federal laws and regulations.

(e) Unauthorized searches or seizures by employees of the Minnesota veterans ~~home~~ homes may be grounds for dismissal.

Subd. 2. [WAIVER PROHIBITED.] The Minnesota veterans ~~home~~ homes may not require a resident to waive protection against unreasonable searches and seizures as a condition of eligibility for admission or continuing residence at ~~the~~ a home. A search conducted under a waiver obtained in violation of this section is an unlawful search and seizure and the person aggrieved may move the district court for return of the property under section 626.21.

Sec. 28. Minnesota Statutes 1986, section 198.34, is amended to read:
198.34 [DEPOSIT OF RECEIPTS.]

Federal money received by the ~~commissioner~~ board for the care of veterans in a veterans home, after being credited to a federal receipt account, must be transferred to the ~~special~~ general revenue fund in the state treasury. Money paid to the ~~commissioner~~ board by a veteran or by another person on behalf of a veteran for care in a veterans home must be deposited in the state treasury and credited to the ~~special~~ general revenue fund.

Sec. 29. [TRANSFER.]

The duties of the commissioner of veterans affairs relating to the governance, management, and administration of the Minnesota veterans homes in Minneapolis and Hastings, transferred to the commissioner of human services by the commissioner of administration by reorganization order 149, are transferred to the board of directors of the Minnesota veterans homes created in section 5. The transfer is governed by Minnesota Statutes, section 15.039.

Sec. 30. [TRANSFER OF LICENSE; INSPECTION.]

Notwithstanding Minnesota Statutes, sections 144A.04, subdivision 4, and 144A.11, subdivision 2, the commissioner of health shall issue new licenses for the Minnesota veterans homes in Minneapolis and Hastings to the board of directors of the homes upon the application of the board.

The commissioner of health shall conduct an announced on-site review of the Minnesota veterans homes within 30 days after the issuance of licenses to the board of directors. The board shall invite officials of the Veterans Administration to also conduct an inspection.

Sec. 31. [APPROPRIATION.]

\$30,000 in fiscal year 1988 and \$125,000 in fiscal year 1989 is appropriated from the general fund to the board of the Minnesota veterans homes for the purposes of Minnesota Statutes, chapter 198.

Sec. 32. [REPEALER.]

Minnesota Statutes 1986, sections 196.02, subdivision 3; and 198.06, are repealed.

Sec. 33. [EFFECTIVE DATE.]

Sections 1 to 32 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to state agencies; returning the control of the Minnesota veterans home to the department of veterans affairs; creating the veterans home board of directors and providing for its powers and duties; providing for the appointment of deputy commissioners and providing for their powers and duties; appropriating money; amending Minnesota Statutes 1986, sections 196.03; 196.05; 198.001; 198.01; 198.022; 198.03; 198.05; 198.065; 198.075; 198.16; 198.161; 198.23; 198.231; 198.261; 198.265; 198.266; 198.31; 198.32; 198.33; and 198.34; proposing coding for new law in Minnesota Statutes, chapters 196 and 198; repealing Minnesota Statutes 1986, sections 196.02, subdivision 3; and 198.06."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Mr. Moe, D.M. questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Mrs. Lantry from the Committee on General Legislation and Public Gaming, to which was referred

S.F. No. 1744: A bill for an act relating to dogs; identifying and requiring licenses for potentially dangerous dogs; requiring licenses for pet stores and sellers who sell and kennels who keep potentially dangerous dogs; imposing a penalty; proposing coding for new law in Minnesota Statutes, chapter 347.

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

Delete everything after the enacting clause and insert:

"Section 1. [347.50] [DEFINITIONS.]

Subdivision 1. [TERMS.] For the purpose of sections 1 to 6 the terms defined in this section have the meanings given them.

Subd. 2. [DANGEROUS DOG.] "Dangerous dog" means any dog that according to the records of the licensing authority has:

(1) inflicted substantial bodily harm on a human being without provocation on public or private property;

(2) killed a domestic animal without provocation while off the owner's property; or

(3) been found to be potentially dangerous, and after the owner has notice that the dog is potentially dangerous, the dog aggressively bites, attacks, or endangers the safety of humans or domestic animals.

Subd. 3. [POTENTIALLY DANGEROUS DOG.] "Potentially dangerous dog" means any dog that:

(1) when unprovoked inflicts bites on a human or domestic animal on public or private property;

(2) when unprovoked chases or approaches a person upon the streets,

sidewalks, or any public property in a menacing fashion or apparent attitude of attack; or

(3) has a known propensity, tendency, or disposition to attack unprovoked, causing injury or otherwise threatening the safety of humans or domestic animals.

Subd. 4. [PROPER ENCLOSURE.] "Proper enclosure" means securely confined indoors or in a securely enclosed and locked pen or structure suitable to prevent the animal from escaping. The pen or structure must have secure sides and a secure top, and must provide protection from the elements for the dog.

Subd. 5. [OWNER.] "Owner" means any person, firm, corporation, organization, or department possessing, harboring, keeping, having an interest in, or having custody or control of a dog.

Subd. 6. [SUBSTANTIAL BODILY HARM.] "Substantial bodily harm" has the meaning given it under section 609.02, subdivision 7a.

Sec. 2. [347.51] [DANGEROUS DOGS; REGISTRATION.]

Subdivision 1. [REQUIREMENT.] No person may own a dangerous dog in this state unless the dog is registered as provided in this section.

Subd. 2. [REGISTRATION.] A county shall issue a certificate of registration to the owner of a dangerous dog if the owner presents sufficient evidence that:

(1) a proper enclosure exists for the dangerous dog and a posting on the premises with a clearly visible warning sign, including a warning symbol to inform children, that there is a dangerous dog on the property; and

(2) a surety bond issued by a surety company authorized to conduct business in this state in a form acceptable to the county in the sum of at least \$50,000, payable to any person injured by the dangerous dog, or a policy of liability insurance issued by an insurance company authorized to conduct business in this state in the amount of at least \$50,000, insuring the owner for any personal injuries inflicted by the dangerous dog.

Subd. 3. [FEE.] The county may charge the owner an annual fee, in addition to any regular dog licensing fees, to obtain a certificate of registration for a dangerous dog under this section.

Subd. 4. [LAW ENFORCEMENT; EXEMPTION.] The provisions of this section do not apply to dangerous dogs used by law enforcement officials for police work.

Subd. 5. [EXEMPTION.] Dogs may not be declared dangerous if the threat, injury, or damage was sustained by a person:

(1) who was committing, at the time, a willful trespass or other tort upon the premises occupied by the owner of the dog;

(2) who was tormenting, abusing, or assaulting the dog or has, in the past, been observed or reported to have tormented, abused, or assaulted the dog; or

(3) who was committing or attempting to commit a crime.

Sec. 3. [347.52] [DANGEROUS DOGS; REQUIREMENTS.]

An owner of a dangerous dog shall keep the dangerous dog, while on the owner's property, in a proper enclosure. If the dog is outside the proper enclosure, the dog must be muzzled and restrained by a substantial chain or leash and under the physical restraint of a responsible person. The muzzle must be made in a manner that will prevent it from biting any person or animal, but that will not cause injury to the dog or interfere with its vision or respiration.

Sec. 4. [347.53] [POTENTIALLY DANGEROUS DOGS.]

Any statutory or home rule charter city, or any county, may regulate potentially dangerous dogs. Nothing in sections 1 to 6 limits any restrictions the local jurisdictions may place on owners of potentially dangerous dogs.

Sec. 5. [347.54] [CONFISCATION.]

Subdivision 1. [DANGEROUS DOGS.] The county shall immediately confiscate any dangerous dog if:

- (1) the dog is not validly registered under section 2;*
- (2) the owner does not secure the proper liability insurance or surety coverage as required under section 2, subdivision 2;*
- (3) the dog is not maintained in the proper enclosure; or*
- (4) the dog is outside the proper enclosure and not under physical restraint of a responsible person as required under section 3.*

Sec. 6. [347.55] [PENALTY.]

Any person who violates any provision of section 2 or 3 is guilty of a gross misdemeanor.

Sec. 7. [347.56] [LIABILITY.]

Subdivision 1. [LIABILITY.] The owner of any dog which bites another person, while the person is in or on a public place or lawfully in or on a private place including the property of the owner, shall be liable for any damages suffered by the person bitten, regardless of the former viciousness of the dog or the owner's knowledge of the viciousness.

Subd. 2. [LAWFULLY ON PRIVATE PROPERTY.] A person is lawfully on the private property of the owner of the dog under subdivision 1 if the person is on the property with the express or implied consent of the owner. Consent may not be presumed if the property of the owner of the dog is fenced or reasonably posted.

Subd. 3. [COMPARATIVE FAULT.] The provisions of section 604.01 apply to any action for damages under this section.

Sec. 8. Minnesota Statutes 1986, section 609.226, is amended to read:

609.226 [HARM CAUSED BY A DOG.]

Subdivision 1. [GREAT OR SUBSTANTIAL BODILY HARM.] A person who causes great or substantial bodily harm to another by negligently or intentionally permitting any dog to run uncontrolled off the owner's premises, or negligently failing to keep it properly confined is guilty of a petty misdemeanor. A person who is convicted of a second or subsequent violation of this section involving the same dog is guilty of a gross misdemeanor.

Subd. 2. [DANGEROUS DOGS.] An owner of a dangerous dog, as defined under section 1, subdivision 2, who has been convicted of a gross

misdemeanor under section 6, and the dog causes bodily injury to a person, is guilty of a felony.

Subd. 3. [AGGRESSIVE ATTACK.] The owner of a dog that aggressively attacks a person and causes great bodily harm or death is guilty of a felony.

Subd. 4. [DEFENSE.] If proven by a preponderance of the evidence, it shall be an affirmative defense to liability under this section that the victim provoked the dog to cause the victim's bodily harm.

Sec. 9. Minnesota Statutes 1986, section 609.227, is amended to read:
609.227 [DANGEROUS ANIMALS DESTROYED.]

When a person has been ~~convicted of~~ charged with a ~~crime under~~ violation of section 609.205, clause (4), or of 609.226, subdivision 2 or 3, or a gross misdemeanor violation of section 609.226, subdivision 1, the court ~~may~~ shall order that the animal which caused the death or injury be seized by the appropriate local law enforcement agency ~~and~~. The animal shall be killed in a proper and humane manner if the person has been convicted of the crime for which the animal was seized. The owner of the animal shall pay the cost of killing the animal. This section shall not preempt local ordinances with more restrictive provisions."

Delete the title and insert:

"A bill for an act relating to animals; regulating dangerous and potentially dangerous dogs; providing liability to an owner of a dog when that dog bites another person; providing penalties; amending Minnesota Statutes 1986, sections 609.226; and 609.227; proposing coding for new law in Minnesota Statutes, chapter 347."

And when so amended the bill do pass and be re-referred to the Committee on Judiciary. Amendments adopted. Report adopted.

Mrs. Lantry from the Committee on General Legislation and Public Gaming, to which was referred

S.F. No. 308: A bill for an act relating to animals; providing for the return of lost animals to their owners; prohibiting transfer of certain dogs and cats for use in research; providing a penalty; amending Minnesota Statutes 1986, section 35.71.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 35.71, subdivision 3, is amended to read:

Subd. 3. [STRAY ANIMALS; SEIZURE, DISPOSITION.] All animals seized by public authority must be held for redemption by the owner for at least five ~~regular~~ business days of the impounding agency or for a longer time specified by municipal ordinance. *At least one of the business days must be a Saturday or Sunday.* For the purpose of this subdivision, "regular business day" means a day during which the establishment having custody of an animal is open to the public not less than four consecutive hours between the hours of 8:00 a.m. and 7:00 p.m. Establishments must maintain the following records of the animals in custody, and preserve the records

for at least six months:

- (a) the description of the animal by species, breed, sex, approximate age, and other distinguishing traits;
- (b) the location at which the animal was seized;
- (c) the date of seizure;
- (d) the name and address of the person from whom any animal three months of age or over was received; and
- (e) the name and address of the person to whom any animal three months of age or over was transferred.

The records must be maintained in a form permitting easy perusal by the public. A person may view the records and animals in custody at any time during which the establishment is open to the public. At the end of the five-day period, all animals which remain unredeemed ~~must~~ *may* be made available to any licensed institution which has requested that number of animals. However, if a tag affixed to the animal or a statement by the animal's owner after the animal's seizure specifies that the animal may not be used for research, the animal must not be made available to any institution and may, in the discretion of the establishment, be destroyed after the expiration of the five-day period. If a request is made by a licensed institution to an establishment for more animals than are available at the time of the request, the establishment must withhold from destruction all unclaimed and unredeemed animals until the request has been filled. The actual expense of holding animals beyond the time of notice to the institution of their availability must be borne by the institution receiving them. An establishment which fails or refuses to comply with this section is ineligible for any further public funds from any county or municipality. Upon receipt of a sworn statement by an authorized officer or employee of a licensed institution of noncompliance by any establishment with this section, the treasurer of any municipality or other political subdivision of the state may not pay any public funds to the establishment until the complainant withdraws its statement of noncompliance or until the board either determines that the complaint of noncompliance was without foundation or that the establishment has given adequate assurance of future compliance and the treasurer of the municipality or other political subdivision has been notified of the determination in writing. If it appears upon a person's complaint that an officer, agent, or employee of an establishment is violating or failing to carry out the provisions of this section, the attorney general or county attorney of the county in which the establishment is located, in addition to any other remedies, may bring an action in the name of the state against the establishment, officer, agent, or employee to enjoin compliance with this section.

Sec. 2. Minnesota Statutes 1986, section 35.71, is amended by adding a subdivision to read:

Subd. 3a. [CONVEYANCE PROHIBITED WITHOUT LICENSE.] An establishment may not convey a dog or cat to an institution that is not licensed under this section.

Sec. 3. Minnesota Statutes 1986, section 35.71, is amended by adding a subdivision to read:

Subd. 3b. [DOGS AND CATS BEARING IDENTIFICATION.] An establishment may not convey to an institution a dog or cat with a collar or

other form of identification attached, unless there is in the possession of the establishment a surrender form signed by the owner of the dog or cat that it may be released to an institution for research and teaching.

Sec. 4. Minnesota Statutes 1986, section 35.71, is amended by adding a subdivision to read:

Subd. 3c. [DISPOSITION OF DOGS AND CATS.] Dogs and cats not returned to their owners or conveyed to institutions must be adopted out as pet and companion animals or humanely euthanized. An establishment may not transfer dogs or cats to dealers, as defined in section 347.31, subdivision 4, or out-of-state institutions.

Sec. 5. Minnesota Statutes 1986, section 35.71, is amended by adding a subdivision to read:

Subd. 3d. [NOTICE TO PUBLIC.] An establishment that conveys dogs and cats to institutions must post a conspicuous notice at the establishment's site where dogs and cats are surrendered and must place a notice on each surrender form. The notice must state that dogs and cats left with the establishment may be conveyed to an institution for research and teaching purposes.

Sec. 6. Minnesota Statutes 1986, section 35.71, is amended by adding a subdivision to read:

Subd. 4a. [RECOVERY OF DOGS AND CATS.] An institution that receives dogs and cats from an establishment must have a procedure for permitting the owner of a lost dog or cat to determine if the institution has the animal."

Delete the title and insert:

"A bill for an act relating to animals; permitting establishments that seize dogs or cats to decide whether to convey unredeemed dogs and cats to institutions for research; prohibiting establishments from transferring dogs or cats to dealers; requiring establishments to post a notice that the animals may be conveyed to institutions for research; amending Minnesota Statutes 1986, section 35.71, subdivision 3, and by adding subdivisions."

And when so amended the bill do pass. Mrs. Brataas questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

S.F. No. 573: A bill for an act relating to administrative procedure; clarifying provisions relating to emergency rules; amending Minnesota Statutes 1986, section 14.29, subdivisions 1 and 2.

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

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

S.F. No. 2003: A bill for an act relating to state government; providing for salary ranges for certain state employees; regulating emergency civil service appointments; regulating affirmative action; regulating health and

other fringe benefit coverages; providing duties for the commissioner of employee relations; amending Minnesota Statutes 1986, sections 43A.15, subdivisions 2 and 11; 43A.19, subdivision 1; 43A.23, subdivisions 1 and 3; 43A.27, subdivision 3; Minnesota Statutes 1987 Supplement, sections 15A.081, subdivision 1; 43A.191, subdivision 3; 43A.316, subdivisions 2, 4, 8, and by adding a subdivision; 43A.421; 79.34, subdivision 1; and 176.611, subdivisions 2 and 3a.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1987 Supplement, section 15A.081, subdivision 1, is amended to read:

Subdivision 1. The governor shall set the salary rate within the ranges listed below for positions specified in this subdivision, upon approval of the legislative commission on employee relations and the legislature as provided by section 43A.18, subdivisions 2 and 5:

	Salary Range Effective July 1, 1987
Commissioner of finance;	\$57,500-\$78,500
Commissioner of education;	
Commissioner of transportation;	
Commissioner of human services;	
Commissioner of revenue;	
Executive director, state board of investment;	
Commissioner of administration;	\$50,000-\$67,500
Commissioner of agriculture;	
Commissioner of commerce;	
Commissioner of corrections;	
Commissioner of jobs and training;	
Commissioner of employee relations;	
Commissioner of energy and economic development;	
Commissioner of health;	
Commissioner of labor and industry;	
Commissioner of natural resources;	
Commissioner of public safety;	
Chair, waste management board;	
Chief administrative law judge; office of administrative hearings;	
Director, pollution control agency;	

Director, state planning agency;
 Executive director, housing finance agency;
 Executive director, public employees retirement association;
 Executive director, teacher's retirement association;
 Executive director, state retirement system;
 Chair, metropolitan council;
 Chair, regional transit board;
 Commissioner of human rights; \$42,500-\$60,000
 Director, department of public service;
 Commissioner of veterans' affairs;
 Director, bureau of mediation services;
 Commissioner, public utilities commission;
 Member, transportation regulation board;
Ombudsman for corrections;
Ombudsman for mental health and retardation.

Sec. 2. Minnesota Statutes 1987 Supplement, section 15A.081, subdivision 7b, is amended to read:

Subd. 7b. [HIGHER EDUCATION OFFICERS.] The state university board, the state board for community colleges, the state board of vocational technical education, and the higher education coordinating board shall set the salary rates for, respectively, the chancellor of the state universities, the chancellor of the community colleges, the state director of vocational technical education, and the executive director of the higher education coordinating board. ~~At least 30 days before the respective board adopts a salary increase according to this subdivision,~~ The *respective* board shall submit the proposed salary increase to the legislative commission on employee relations for approval, modification, or rejection in the manner provided in section 43A.18, subdivision 2. Salary rates for the positions specified in this subdivision may not exceed 95 percent of the salary ~~set for~~ of the governor under *section 15A.082*, subdivision 6 3.

Sec. 3. Minnesota Statutes 1986, section 43A.04, subdivision 7, is amended to read:

Subd. 7. [REPORTING.] The commissioner shall issue a written report by ~~January~~ *February* 1 and ~~July~~ *August* 1 of each year to the chair of the legislative commission on employee relations. The report ~~shall~~ *must* list the number of appointments made ~~pursuant to~~ *under* each of the categories in section 43A.15, ~~subdivisions 2 to 12~~ *the number made to the classified service other than under section 43A.15*, and the number made ~~pursuant to~~ *under* section 43A.08, subdivision 2a, during the six-month ~~period covered by the report~~ *periods ending June 30 and December 31, respectively.*

Sec. 4. Minnesota Statutes 1986, section 43A.15, subdivision 2, is amended to read:

Subd. 2. [EMERGENCY APPOINTMENTS.] An appointing authority

may make an emergency appointment for up to 30 working days. *If necessary, the commissioner may grant an extension of the emergency appointment for 30 additional working days.* No person ~~shall~~ may be employed in any one agency on an emergency basis for more than ~~30~~ 60 working days in any 12-month period.

Sec. 5. Minnesota Statutes 1986, section 43A.15, subdivision 11, is amended to read:

Subd. 11. [APPOINTMENTS TO POSITIONS IN SHORTAGE OCCUPATIONS.] The commissioner may designate classifications or positions for which qualified applicants are in critically short supply and may develop recruitment, qualifying examination and referral processes as will provide agencies opportunity to make prompt appointments.

Sec. 6. Minnesota Statutes 1986, section 43A.17, subdivision 1, is amended to read:

Subdivision 1. [SALARY LIMITS.] As used in ~~this section~~ subdivisions 1 to 8, "salary" means hourly, monthly, or annual rate of pay including any lump-sum payments and cost-of-living adjustment increases but excluding payments due to overtime worked, shift or equipment differentials, work out of class as required by collective bargaining agreements or plans established pursuant to under section 43A.18, and back pay on reallocation or other payments related to the hours or conditions under which work is performed rather than to the salary range or rate to which a class is assigned.

The salary, as established in section 15A.081, of the head of a state agency in the executive branch is the upper limit of compensation in the agency. The salary of the commissioner of labor and industry is the upper limit of compensation of employees in the bureau of mediation services. However, if an agency head is assigned a salary that is lower than the current salary of another agency employee, the employee ~~shall retain~~ retains the salary, but ~~shall may~~ not receive ~~any~~ an increase in salary as long as the salary is above that of the agency head. The commissioner may grant exemptions from these upper limits as provided in subdivisions 3 and 4.

Sec. 7. Minnesota Statutes 1986, section 43A.17, subdivision 9, is amended to read:

Subd. 9. [POLITICAL SUBDIVISION SALARY COMPENSATION LIMIT.] *For purposes of this subdivision, "salary" means the annual amount of money set under section 15A.082, subdivision 3. "Total compensation" means all money and items or services of value provided to or for a person in compensation for that person's services except reimbursement for actual expenses incurred in the performance of those services and benefits that are also provided on the same basis to other permanent, full-time employees of the political subdivision. Benefits excluded from total compensation include vacation and sick leave and contributions to a group insurance plan or a public pension fund covered by section 356.20. "Total compensation" includes the value of accrued vacation or sick leave paid in cash to a person during the person's employment by the political subdivision.* The ~~salary~~ total compensation of a person employed by a statutory or home rule charter city, county, town, school district, metropolitan or regional agency, or other political subdivision of this state, or employed pursuant to section 422A.03, may not exceed 95 percent of the salary of the governor, except as provided in this subdivision. The ~~salary~~ total compensation of a medical doctor occupying a position that the governing body of the political

subdivision has determined requires an M.D. degree is excluded from the limitation in this subdivision. The commissioner may increase the limitation in this subdivision for a position that the commissioner has determined requires special expertise necessitating a higher ~~salary~~ *compensation* to attract or retain a qualified person. The commissioner shall review each proposed increase giving due consideration to ~~salary~~ *compensation* rates paid to other persons with similar responsibilities in the state. The commissioner may not increase the limitation until the commissioner has presented the proposed increase to the legislative commission on employee relations and received the commission's recommendation on it. The recommendation is advisory only.

Sec. 8. Minnesota Statutes 1986, section 43A.18, subdivision 5, is amended to read:

Subd. 5. [GOVERNOR TO RECOMMEND CERTAIN SALARIES.] The governor shall, ~~on or before~~ by July 1 of each odd-numbered year, submit to the legislative commission on employee relations recommendations for salaries within the salary range for the positions listed in section 15A.081, subdivisions 1 and 7. The governor may also propose additions or deletions of positions from those listed.

(a) Before submitting the recommendations, the governor shall consult with the commissioner of administration, the commissioner of finance, and the commissioner of employee relations concerning the recommendations.

(b) In making recommendations, the governor shall consider only ~~those~~ *the* criteria established in subdivision 8 and ~~shall may~~ not take into account performance of individual incumbents. The governor shall establish an objective system for quantifying knowledge, abilities, duties, responsibilities, and accountabilities and in determining recommendations rate each position by this system.

(c) Before the governor's recommended salaries take effect, the recommendations ~~shall must~~ be reviewed and approved, rejected, or modified by the legislative commission on employee relations and the legislature in the same manner as provided for the commissioner's plan in subdivision 2. The governor may also at any time propose changes in the salary rate of any positions covered by this subdivision, which ~~shall must~~ be submitted and approved in the same manner as provided in this subdivision.

(d) *The governor shall set the initial salary of a head of an a new agency or a chair of a new metropolitan board or commission hereafter established whose salary is not specifically prescribed by law shall be fixed by the governor,* after consultation with the commissioner, whose recommendation ~~shall be~~ *is* advisory only; ~~in an.~~ *The amount of the new salary must be comparable to the salary of an agency head or commission chair having similar duties and responsibilities.*

(e) *The salary of a newly appointed head of an agency or chair of a metropolitan agency listed in section 15A.081, subdivision 1 or 7, may be increased or decreased by the governor from the salary previously set for that position within 30 days of the new appointment after consultation with the commissioner. If the governor increases a salary under this paragraph, the governor shall submit the new salary to the legislative commission on employee relations and the full legislature for approval, modification, or rejection in the manner provided in section 43A.18, subdivision 2. If the legislature rejects an increased salary or adjourns without action during*

the following legislative session, the salary for the position reverts to the level in effect before the governor proposed the change.

Sec. 9. Minnesota Statutes 1986, section 43A.19, subdivision 1, is amended to read:

Subdivision 1. [STATEWIDE AFFIRMATIVE ACTION PROGRAM.]

(a) To assure that positions in the executive branch of the civil service are equally accessible to all qualified persons, and to eliminate the underutilization of qualified members of protected groups, the commissioner shall adopt and periodically revise, if necessary, a statewide affirmative action program. The statewide affirmative action program ~~shall~~ *must* consist of at least the following:

(1) objectives, ~~long-range and interim~~ goals, and policies;

(2) procedures, standards and assumptions to be used by agencies in the preparation of agency affirmative action plans, including methods by which goals and timetables ~~shall be~~ *are* established; and

(3) requirements for annual *objectives and* submission of affirmative action progress reports from heads of agencies.

(b) The commissioner shall base ~~interim~~ *affirmative action* goals on at least the following factors:

(1) the percentage of members of each protected class in the recruiting area population who have the necessary skills;

(2) the availability for promotion or transfer of members of protected classes in the recruiting area population;

(3) the extent of unemployment of members of protected classes in the recruiting area population;

(4) the existence of training programs in needed skill areas offered by employing agencies and other institutions; and

(5) the expected number of available positions to be filled.

(c) The commissioner shall designate a state director of equal employment opportunity who may be delegated the preparation, revision, implementation and administration of the program. The commissioner of employee relations may place the director's position in the unclassified service if the position meets the criteria established in section 43A.08, subdivision 1a.

Sec. 10. Minnesota Statutes 1987 Supplement, section 43A.191, subdivision 3, is amended to read:

Subd. 3. [SANCTIONS AND INCENTIVES.] (a) The director of equal employment opportunity shall annually audit the record of each agency to determine the rate of compliance with annual hiring goals of each goal unit and to evaluate the agency's overall progress toward its affirmative action goals and objectives.

(b) By ~~February~~ *March* 1 of each year, the commissioner shall submit a report on affirmative action progress of each agency and the state as a whole to the governor and to the finance committee of the senate, the appropriations committee of the house of representatives, ~~and~~ the governmental operations committees of both houses of the legislature, ~~and the legislative commission on employee relations~~. The report must include *noncompetitive appointments made under section 43A.08, subdivision 2a,*

or 43A.15, and cover each agency's rate of compliance with annual hiring goals. In addition, any agency that has not met its affirmative action hiring goals, that fails to make an affirmative action hire, or fails to justify its nonaffirmative action hire in 25 percent or more of the appointments made in the previous calendar year must be designated in the report as an agency not in compliance with affirmative action requirements.

(c) The commissioner shall study methods to improve the performance of agencies not in compliance with affirmative action requirements. ~~By January 15, 1986, the commissioner shall submit to the legislature a proposal for improving compliance rates. This proposal must include penalties for noncompliance.~~

(d) The commissioner shall establish a program to recognize agencies that have made significant and measurable progress toward achieving affirmative action objectives.

Sec. 11. Minnesota Statutes 1986, section 43A.23, subdivision 1, is amended to read:

Subdivision 1. [GENERAL.] The commissioner is authorized to request bids from carriers or to negotiate with carriers and to enter into contracts with carriers which in the judgment of the commissioner are best qualified to underwrite and service the benefit plans. The commissioner may negotiate premium rates and coverage provisions with all carriers licensed under chapters 62A, 62C, and 62D. The commissioner may also negotiate reasonable restrictions to be applied to all carriers under chapters 62A, 62C, and 62D. Contracts to underwrite the benefit plans ~~shall~~ *must* be bid or negotiated separately from contracts to service the benefit plans, which ~~shall~~ *may* be awarded only on the basis of competitive bids. The commissioner shall consider the cost of the plans, conversion options relating to the contracts, service capabilities, character, financial position, and reputation of the carriers and any other factors which the commissioner deems appropriate. Each benefit contract ~~shall~~ *must* be for a uniform term of at least one year, but may be made automatically renewable from term to term in the absence of notice of termination by either party. The commissioner shall, to the extent feasible, make hospital and medical benefits available from at least one carrier licensed to do business pursuant to each of chapters 62A, 62C and 62D. The commissioner need not provide health maintenance organization services to an employee who resides in an area which is not served by a licensed health maintenance organization. The commissioner may refuse to allow a health maintenance organization to continue as a carrier ~~if it was selected by less than 200 employees in the preceding benefit year.~~ The commissioner may elect not to offer all three types of carriers if there are no bids or no acceptable bids by that type of carrier or if the offering of additional carriers would result in substantial additional administrative costs. ~~Any~~ A carrier licensed ~~pursuant to under~~ chapter 62A ~~shall be~~ *is* exempt from the tax imposed by section 60A.15 on premiums paid to it by the state.

Sec. 12. Minnesota Statutes 1986, section 43A.23, subdivision 3, is amended to read:

Subd. 3. [CONTRACT WITH INSURANCE CARRIERS.] The commissioner of ~~labor and industry~~ *employee relations* may contract with carriers authorized to provide coverage under the state employees group insurance plan to extend coverage to eligible employees who incur medical expenses due to a personal injury which results from their state employment which

is compensable under chapter 176.

Sec. 13. Minnesota Statutes 1986, section 43A.27, subdivision 3, is amended to read:

Subd. 3. [RETIRED EMPLOYEES.] A retired employee of the state who receives an annuity under a state retirement program may elect to purchase at personal expense individual and dependent hospital, medical and dental coverages *that are actuarially equivalent to those made available through collective bargaining agreements or plans established pursuant to section 43A.18 to employees in positions equivalent to that from which retired.* A spouse of a deceased retired employee who received an annuity under a state retirement program may purchase the coverage listed in this subdivision if the spouse was a dependent under the retired employee's coverage at the time of the employee's death. Coverages ~~shall~~ *must* be coordinated with relevant health insurance benefits provided through the federally sponsored medicare program. Appointing authorities shall provide notice to employees no later than the effective date of their retirement of the right to exercise the option provided in this subdivision. The retired employee must notify the commissioner or designee of the commissioner within 30 days after the effective date of the retirement of intent to exercise this option.

Sec. 14. Minnesota Statutes 1986, section 43A.27, is amended by adding a subdivision to read:

Subd. 6. [FOOD SERVICE EMPLOYEES.] *Employees of a contracted food service operation employed at Bemidji state university, St. Cloud state university, or Southwest state university, if the employer and the representative of employees, defined under section 179.01, subdivision 5, agree, may elect to enroll themselves and their dependents at their own or their employer's expense in the appropriate state plans for life insurance, hospital, medical, and dental benefits, and optional coverages at the time, in the manner, and under the conditions of eligibility the commissioner prescribes and otherwise approves.*

Sec. 15. Minnesota Statutes 1987 Supplement, section 43A.316, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] For the purpose of this section, the terms defined in this subdivision have the meaning given them.

(a) [COMMISSIONER.] "Commissioner" means the commissioner of employee relations.

(b) [EMPLOYEE.] "Employee" means (1) a person who is a public employee within the definition of section 179A.03, subdivision 14, *who is insurance eligible* and is employed by an eligible employer or (2) a person employed by a labor organization or employee association certified as an exclusive representative of employees of an eligible employer or by another public employer approved by the commissioner.

(c) [ELIGIBLE EMPLOYER.] "Eligible employer" means

(1) a public employer within the definition of section 179A.03, subdivision 15, that is a town, county, city, school district as defined in section 120.02, educational cooperative service unit as defined in section 123.58, intermediate district as defined in section 136C.02, subdivision 7, cooperative center for vocational education as defined in section 123.351, regional

management information center as defined in section 121.935; or an education unit organized under the joint powers action, section 471.59; or

(2) an exclusive representative of employees, as defined in paragraph (b);
or

(3) another public employer approved by the commissioner.

(d) [EXCLUSIVE REPRESENTATIVE.] "Exclusive representative" means an exclusive representative as defined in section 179A.03, subdivision 8.

(e) [LABOR-MANAGEMENT COMMITTEE.] "Labor-management committee" means the committee established by subdivision 4.

(f) [PLAN.] "Plan" means the statewide public employees insurance plan created by subdivision 3.

Sec. 16. Minnesota Statutes 1987 Supplement, section 43A.316, subdivision 4, is amended to read:

Subd. 4. [LABOR-MANAGEMENT COMMITTEE.] ~~There is created a~~ *The labor-management committee consists of ten members appointed by the commissioner. The labor-management committee shall consist of must comprise five members who represent employees, including at least one retired employee, and five members who represent eligible employers. Committee members are eligible for expense reimbursement in the same manner and amount as authorized by the commissioner's plan adopted under section 43A.18, subdivision 2. The commissioner shall consult with the labor-management committee in major decisions that affect the plan. The committee shall study issues relating to the insurance plan including, but not limited to, flexible benefits, utilization review, quality assessment, and cost efficiency.*

Sec. 17. Minnesota Statutes 1987 Supplement, section 43A.316, subdivision 8, is amended to read:

Subd. 8. [CONTINUATION OF COVERAGE.] (a) A participating employee who is laid off or is on ~~unrequested~~ leave may elect to continue the plan coverage. This coverage is at the expense of the employee unless otherwise provided by a collective bargaining agreement. Premiums for these employees ~~shall~~ *must* be established by the commissioner. Coverage continues until one of the following occurs:

(1) the employee is reemployed and eligible for health care coverage under a group policy; or

(2) the insurance continuation periods required by state and federal laws expire.

(b) A participating employee who retires and is receiving an annuity or is eligible for and has applied for an annuity under chapter 352, 352B, 352C, 352D, 353, 354, 354A, 356, 422A, 423, 423A, 424, or 490 is eligible to continue participation in the plan. Any employer's contribution must cease when the retiree reaches age 65. These employees, and employees who have already retired prior to the group from which they retired entering the plan, are eligible to participate as long as their group continues to participate. This participation is at the retiree's expense unless a collective bargaining agreement provides otherwise. *Premiums for these participants must be established by the commissioner. An employer shall notify an employee of this option no later than the effective date of retirement. The retired employee shall notify the employer within 30 days of the effective*

date of retirement of intent to exercise this option.

(c) The spouse of a deceased, *active*, or retired employee may purchase the benefits provided at premiums established by the commissioner if ~~the deceased retired employee received an annuity under chapter 352, 353, 354, 354A, 356, 422A, 423, 423A, or 424 and~~ if the spouse was a dependent under the *active* or retired employee's coverage under this section at the time of the death of ~~the retired employee~~. *These participants are eligible to participate as long as the group which included their spouse participates.* Coverage under this clause ~~shall~~ *must* be coordinated with relevant insurance benefits provided through the federally sponsored Medicare program.

(e) ~~(d)~~ The plan benefits ~~shall~~ *must* continue in the event of strike permitted by section 179A.18, if the exclusive representative chooses to have coverage continue and the employee pays the total monthly premiums when due.

~~(d)~~ ~~(e)~~ A person who desires to participate under paragraphs (a) to ~~(e)~~ ~~(d)~~ shall notify the eligible employer or former employer of intent to participate according to rules established by the commissioner. The eligible employer shall notify the commissioner, and coverage ~~shall begin~~ *begins* as soon as the commissioner permits.

Persons participating under these paragraphs shall make appropriate premium payments in the time and manner established by the commissioner.

Sec. 18. Minnesota Statutes 1987 Supplement, section 43A.316, is amended by adding a subdivision to read:

Subd. 10. [BIDDING REQUIREMENT EXEMPTION.] The public employee insurance plan is exempt from the requirements imposed by section 471.616, subdivision 1.

Sec. 19. Minnesota Statutes 1987 Supplement, section 43A.421, is amended to read:

43A.421 [SUPPORTED WORK PROGRAM.]

A total of 50 additional full-time positions within agencies of state government may be selected for inclusion for a supported work program for persons with severe disabilities. A full-time position may be shared by up to three persons with severe disabilities and their job coach. *The job coach is not a state employee within the scope of section 43A.02, subdivision 21, or 179A.03, subdivision 14, unless the job coach holds another position within the scope of section 43A.02, subdivision 21, or 179A.03, subdivision 14.*

Sec. 20. Minnesota Statutes 1987 Supplement, section 44A.02, subdivision 1, is amended to read:

Subdivision 1. [SELECTION.] The president of the world trade center corporation is selected by a majority of the board and serves at the pleasure of the board. The president must be familiar with the international business community, and have demonstrated proficiency in communication skills, administration, and management. The salary of the president is set by the board, but may not exceed the *top of the salary range* set for the commissioner of finance under section 15A.081, subdivision 1.

Sec. 21. Minnesota Statutes 1987 Supplement, section 79.34, subdivision 1, is amended to read:

Subdivision 1. ~~A~~ *The* nonprofit association known as the workers' compensation reinsurance association ~~is created, which~~ may be incorporated under chapter 317 with all the powers of a corporation formed under that chapter, except that if the provisions of that chapter are inconsistent with sections 79.34 to 79.40 ~~or any amendments thereto~~, sections 79.34 to 79.40 ~~shall~~ govern. Each insurer as defined by section 79.01, subdivision 2, shall, as a condition of its authority to transact workers' compensation insurance in this state, be a member of the reinsurance association and ~~shall be~~ *is* bound by the plan of operation of the reinsurance association; provided, that all affiliated insurers within a holding company system as defined in sections 60D.01 to 60D.13 ~~shall be~~ *are* considered a single entity for purposes of the exercise of all rights and duties of membership in the reinsurance association. Each self-insurer approved ~~pursuant to~~ *under* section 176.181 and each political subdivision ~~which that~~ self-insures shall, as a condition of its authority to self-insure workers' compensation liability in this state, be a member of the reinsurance association and ~~shall be~~ *is* bound by its plan of operation; provided, that:

(a) (1) all affiliated companies within a holding company system, as determined by the commissioner in a manner consistent with the standards and definitions in sections 60D.01 to 60D.13, ~~shall be~~ *are* considered a single entity for purposes of the exercise of all rights and duties of membership in the reinsurance association; and

(b) (2) all group self-insurers granted authority to self-insure pursuant to section 176.181 ~~shall be~~ *are* considered a single ~~entity~~ *entities* for purposes of the exercise of all the rights and duties of membership in the reinsurance association.

As a condition of its authority to self-insure workers' compensation liability, and for losses incurred ~~on or after January 1, 1984~~ *December 31, 1983*, the state ~~shall be~~ *is* a member of the reinsurance association and is bound by its plan of operation. The commissioner of ~~labor and industry employee relations~~ represents the state in the exercise of all the rights and duties of membership in the reinsurance association. The state treasurer shall pay the premium to the reinsurance association from the state compensation revolving fund upon warrants of the commissioner of ~~labor and industry employee relations~~. For the purposes of this section "state" means the administrative branch of state government, the legislative branch, the judicial branch, the University of Minnesota, and any other entity whose workers' compensation liability is paid from the state revolving fund. The commissioner of finance may calculate, prorate, and charge a department or agency the portion of premiums paid to the reinsurance association for employees who are paid wholly or in part by federal funds, dedicated funds, or special revenue funds. The reinsurance association is not a state agency. Actions of the reinsurance association and its board of directors and actions of the commissioner of labor and industry with respect to the reinsurance association are not subject to chapters 13, 14, and 15. All property owned by the association is exempt from taxation. The reinsurance association is not obligated to make any payments or pay any assessments to any funds or pools established pursuant to this chapter or chapter 176 or any other law.

Sec. 22. Minnesota Statutes 1987 Supplement, section 176.611, subdivision 2, is amended to read:

Subd. 2. [STATE DEPARTMENTS.] Every department of the state,

including the University of Minnesota, shall reimburse the fund for money paid for its claims and the costs of administering the revolving fund at such times and in such amounts as the commissioner of ~~labor and industry employee relations~~ shall certify has been paid out of the fund on its behalf. The heads of the departments shall anticipate these payments by including them in their budgets. In addition, the commissioner of ~~labor and industry employee relations~~, with the approval of the commissioner of finance, may require an agency to make advance payments to the fund sufficient to cover the agency's estimated obligation for a period of at least 60 days. Reimbursements and other money received by the commissioner of ~~labor and industry employee relations~~ under this subdivision must be credited to the state compensation revolving fund.

Sec. 23. Minnesota Statutes 1987 Supplement, section 176.611, subdivision 3a, is amended to read:

Subd. 3a. [LOANS.] To maintain an ongoing balance sufficient to pay sums currently due for benefits and administrative costs, the commissioner of finance, upon request of the commissioner of ~~labor and industry employee relations~~, may transfer money from the general fund to the state compensation revolving fund. Before requesting the transfer, the commissioner of ~~labor and industry employee relations~~ must decide there is not enough money in the fund for an immediate, necessary expenditure. The amount necessary to make the transfer is appropriated from the general fund to the commissioner of finance. The commissioner of ~~labor and industry employee relations~~ shall make schedules to repay the transferred money to the general fund. The repayment may not extend beyond five years.

Sec. 24. Minnesota Statutes 1986, section 179A.10, subdivision 3, is amended to read:

Subd. 3. [STATE EMPLOYEE SEVERANCE.] Each of the following groups of employees has the right, as specified in this subdivision, to separate from the general professional, health treatment, or general supervisory units provided for in subdivision 2: attorneys, physicians, professional employees of the higher education coordinating board who are compensated ~~pursuant to~~ under section 43A.18, subdivision 4, state patrol-supervisors, *regional enforcement officers employed by the department of natural resources*, and criminal apprehension investigative-supervisors. This right ~~shall~~ *must* be exercised by petition during the 60-day period commencing 270 days prior to the termination of a contract covering the units. If one of these groups of employees exercises the right to separate from the units they ~~shall~~ have no right to meet and negotiate, but ~~shall~~ retain the right to meet and confer with the commissioner of employee relations and with the appropriate appointing authority on any matter of concern to them. ~~The manner of exercise of the right to separate shall be~~ *must be exercised* as follows: An employee organization or group of employees claiming that a majority of any one of these groups of employees on a statewide basis wish to separate from their units may petition the director for an election during the petitioning period. If the petition is supported by a showing of at least 30 percent support for the petitioner from the employees, the director shall hold an election to ascertain the wishes of the majority with respect to the issue of remaining within or severing from the units provided in subdivision 2. This election ~~shall~~ *must* be conducted within 30 days of the close of the petition period. If a majority of votes cast endorse severance from the unit in favor of separate meet and confer status for any one of

these groups of employees, the director shall certify that result. This election ~~shall~~, where not inconsistent with other provisions of this section, ~~be~~ is governed by section 179A.16. If a group of employees elects to sever ~~they~~, *the group* may rejoin that unit by following the same procedures specified above for severance, but may only do so during the periods provided for severance.

Sec. 25. Minnesota Statutes 1987 Supplement, section 214.04, subdivision 3, is amended to read:

Subd. 3. The executive secretary of each health-related and non-health-related board shall be the chief administrative officer for the board but shall not be a member of the board. The executive secretary shall maintain the records of the board, account for all fees received by it, supervise and direct employees servicing the board, and perform other services as directed by the board. The executive secretaries and other employees of the following boards shall be hired by the board, and the executive secretaries shall be in the unclassified civil service, except as provided in this subdivision:

- (1) dentistry;
- (2) medical examiners;
- (3) nursing;
- (4) pharmacy;
- (5) accountancy;
- (6) architecture, engineering, land surveying and landscape architecture;
- (7) barber examiners;
- (8) cosmetology;
- (9) electricity;
- (10) teaching;
- (11) peace officer standards and training;
- (12) social work;
- (13) marriage and family therapy;
- (14) unlicensed mental health service providers; and
- (15) office of social work and mental health boards.

The board of medical examiners shall set the salary of its executive director, which may not exceed 95 percent of the top of the salary range set for the commissioner of health in section 15A.081, subdivision 1. ~~In June of the year in which a salary increase is to be adopted, and at least 30 days before the board of medical examiners adopts a salary increase for its executive director,~~ The board shall submit ~~the~~ a proposed salary increase to the legislative commission on employee relations ~~and the full legislature~~ for approval, modification, or rejection in the manner provided in section 43A.18, subdivision 2.

The executive secretaries serving the remaining boards ~~shall be~~ are hired by those boards, and ~~shall be~~ are in the unclassified civil service, except for part-time executive secretaries, who are not required to be in the unclassified service. Boards not requiring a full-time executive ~~secretary~~ secretaries may employ ~~such services~~ them on a part-time basis. To the extent

practicable, the sharing of part-time executive secretaries by boards being serviced by the same department is encouraged. Persons providing services to those boards not listed in this subdivision, except executive secretaries of the boards and employees of the attorney general, ~~shall be~~ are classified civil service employees of the department servicing the board. To the extent practicable, the commissioner shall ensure that staff services are shared by the boards being serviced by the department. If necessary, a board may hire part-time, temporary employees to administer and grade examinations.

Sec. 26. [WASTE MANAGEMENT BOARD EMPLOYEES.]

By January 1, 1990, the commissioner of employee relations shall transfer employees of the waste management board in the unclassified service to the classified service of the state without competitive or qualifying examination and shall place them in their proper classifications. A transferred employee with less than six months of service in the employee's position at the time of the transfer shall serve a probationary period appropriate for the employee's classification under section 43A.16. The probation period must include the time since the employee's hire in the unclassified position from which the employee was transferred."

Delete the title and insert:

"A bill for an act relating to state government; providing for salary ranges for certain state employees; clarifying requirements for submitting certain salaries for legislative approval; requiring certain reports; regulating emergency civil service appointments; clarifying limits on certain salaries; authorizing the governor to change the salaries of newly appointed agency heads; regulating affirmative action; regulating separation from certain bargaining units; regulating health and other fringe benefit coverages; providing duties for the commissioner of employee relations; amending Minnesota Statutes 1986, sections 43A.04, subdivision 7; 43A.15, subdivisions 2 and 11; 43A.17, subdivisions 1 and 9; 43A.18, subdivision 5; 43A.19, subdivision 1; 43A.23, subdivisions 1 and 3; 43A.27, subdivision 3, and by adding a subdivision; and 179A.10, subdivision 3; Minnesota Statutes 1987 Supplement, sections 15A.081, subdivisions 1 and 7b; 43A.191, subdivision 3; 43A.316, subdivisions 2, 4, 8, and by adding a subdivision; 43A.421; 44A.02, subdivision 1; 79.34, subdivision 1; 176.611, subdivisions 2 and 3a; and 214.04, subdivision 3."

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

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

S.F. No. 2002: A bill for an act relating to state government; ratifying labor agreements, compensation plans, and salaries for state employees, and salaries for certain employees of metropolitan agencies.

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

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 2000: A bill for an act proposing an amendment to the Minnesota Constitution by adding a section to article XI; establishing a Minnesota

environment and natural resources trust fund; providing implementing legislation; creating a legislation commission and an advisory committee; proposing coding for new law as Minnesota Statutes, chapter 115C.

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

Delete everything after the enacting clause and insert:

“Section 1. [CONSTITUTIONAL AMENDMENT PROPOSED.]

Subdivision 1. [AMENDMENT.] The following amendment to the Minnesota Constitution, adding a section to article XI, is proposed to the people. If the amendment is adopted, the section will read as follows:

Sec. 14. A Minnesota environment, natural resources, and wildlife trust fund is established in the state treasury. The sources and uses of money in the fund must be established by law. State contributions to the fund may not exceed \$1,000,000,000 or be made after the year 2015.

Subd. 2. [SUBMISSION TO VOTERS.] The proposed amendment must be submitted to the people at the 1988 general election. The question submitted shall be:

“Shall the Minnesota Constitution be amended to establish a Minnesota environment, natural resources, and wildlife trust fund that may receive state contributions until the year 2015?”

Yes

No

Sec. 2. [86.80] [FINDINGS.]

The legislature finds that all Minnesotans share the responsibility to ensure wise stewardship of the state’s environment, natural resources, and wildlife for the benefit of current citizens and future generations. Proper management of the state’s environment, natural resources, and wildlife includes and requires foresight, planning, and long-term activities that allow the state to preserve its high quality environment and provides for wise use of its natural resources. The legislature also finds that to undertake the activities properly, a long-term, consistent, and stable source of funding must be provided.

Sec. 3. [86.81] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 3 to 12.

Subd. 2. [COMMISSION.] “Commission” means the Minnesota future resources commission.

Subd. 3. [TRUST FUND.] “Trust fund” means the Minnesota environment, natural resources, and wildlife trust fund.

Sec. 4. [86.82] [PURPOSE AND INTENT OF TRUST FUND.]

Subdivision 1. [PURPOSE.] The purpose of the Minnesota environment, natural resources, and wildlife trust fund is to ensure that the environment, natural resources, and wildlife of the state will be protected, conserved, preserved and enhanced for current citizens and for future generations. Expenditures from the trust fund must be made only for activities that provide or contribute to long-term protection, conservation, preservation,

or enhancement of the state's air, water, land, fish, wildlife, forestry, and other natural resources.

Subd. 2. [TRUST FUND NOT TO SUPPLANT EXISTING FUNDING.] (a) The trust fund may not be used as a substitute for traditional sources of funding environment, natural resources, and wildlife activities, but the trust fund shall supplement the traditional sources, including those sources used to support the criteria in section 8, subdivision 3. The trust fund must be used to primarily support activities whose benefits become available only over an extended period of time.

(b) The commission must determine the amount of the state budget spent from traditional sources to fund environment, natural resources, and wildlife activities before and after the trust fund is established and include a comparison of the amount in the report under section 10, subdivision 5.

Sec. 5. [86.83] [TRUST FUND ACCOUNT.]

Subdivision 1. [ESTABLISHMENT.] A Minnesota environment, natural resources, and wildlife trust fund, under article XI, section 14, of the Minnesota Constitution, if approved by the voters in the 1988 general election, is established as an account in the state treasury. The commissioner of finance shall credit designated revenue to the trust fund and ensure that trust fund money is invested under section 11A.24.

Subd. 2. [INVESTMENT AND EARNINGS.] The principal of the trust fund shall be invested by the state board of investment. Money earned by the trust fund must be credited to the trust fund.

Subd. 3. [GIFTS.] Gifts, including land and interests in land, may be donated to the trust fund. The noncash gifts must be disposed of for cash as soon as the board can prudently maximize the value of the gift. Gifts of marketable securities may be held or disposed of for cash at the option of the board. The cash receipts attributable to gifts of cash, capital assets, and marketable securities turned into cash must be credited immediately to the principal of the trust fund. The present value of marketable securities obtained as gifts must be considered as part of the trust fund and any earnings from the securities are an earning of the trust fund.

Subd. 4. [ROYALTIES, COPYRIGHTS, PATENTS.] The trust fund owns and shall take title to the percentage of a royalty, copyright, or patent resulting from a project supported by the trust fund equal to the percentage of the project's total funding provided by the trust fund. Cash receipts resulting from a royalty, copyright, or patent, or the sale of the trust fund's rights to a royalty, copyright, or patent, must be immediately credited to the principal of the trust fund. Before a project is included in the budget plan, the commission may vote to relinquish the ownership or rights to a royalty, copyright, or patent resulting from a project supported by the trust fund to the project's proposer when the amount of the original grant or loan, plus interest, has been repaid to the trust fund.

Subd. 5. [AUDITS REQUIRED.] (a) The Minnesota future resources commission shall select a certified public accountant to annually audit the trust fund. The audit must be given to the governor and the legislature and be available to the public.

(b) The legislative audit commission shall audit trust fund expenditures to ensure that the money is spent for the purposes provided in the commission's budget plan.

Sec. 6. [86.84] [MINNESOTA FUTURE RESOURCES COMMISSION.]

Subdivision 1. [ESTABLISHMENT AND MEMBERSHIP] (a) A Minnesota future resources commission of 16 members is established, consisting of the chairs of the house of representatives and senate committees on environment and natural resources, the chairs of the house of representatives appropriations and senate finance committees, six members of the senate appointed by the majority leader and six members of the house of representatives appointed by the speaker. At least two members from the senate and two members from the house of representatives must be from the minority caucus.

(b) Members are entitled to reimbursement for per diem expenses plus travel expenses incurred in the services of the commission.

Subd. 2. [DUTIES.] The commission shall develop a budget plan for expenditures from the trust fund and shall adopt a strategic plan as provided in section 8.

Sec. 7. [86.85] [RESOURCES CONGRESS.]

The commission must convene a resources congress once every biennium. The congress must be open to all interested individuals. The purpose of the congress is to collect public input necessary to allow the Minnesota future resources commission to develop a strategic plan to guide expenditures from the trust fund.

Sec. 8. [86.86] [STRATEGIC AND BUDGET PLANS.]

Subdivision 1. [STRATEGIC PLAN REQUIRED.] The commission shall adopt a strategic plan for making expenditures from the trust fund, including identifying the priority areas for funding for the next six years. In adopting the strategic plan, the commission must first consider the reinvest in Minnesota program under section 84.95, subdivision 2. The strategic plan must be updated every two years. Project proposals inconsistent with the strategic plan are not eligible for funding from the trust fund.

Subd. 2. [BUDGET PLAN.] (a) The commission may only fund projects that meet the criteria under subdivision 3.

(b) Research proposals to be considered for funding must be reviewed by the peer review panel.

(c) The commission must adopt a budget plan before expenditures are made from the trust fund. The budget plan must be submitted to the governor for inclusion in the biennial budget and supplemental budget submitted to the legislature.

(d) Individual projects must be approved or not approved in their entirety and new projects may not be added.

Subd. 3. [EXPENDITURE CRITERIA.] (a) Money in the trust fund may be spent for:

(1) research that contributes to increasing the effectiveness of protecting or managing the state's environment, natural resources, and wildlife;

(2) collection and analysis of information that assists in developing the state's environment, natural resources, and wildlife policies;

(3) enhancement of public education, awareness, and understanding necessary for the protection, conservation, restoration, and enhancement

of air, land, water, wildlife, forests, and other natural resources;

(4) the reinvest in Minnesota program as provided in section 84.95, subdivision 2;

(5) capital projects for the preservation and protection of natural resources and wildlife; and

(6) activities that conserve, preserve, or enhance wildlife and other natural resources.

(b) Money from the trust fund may not be spent for:

(1) purposes of environmental compensation and liability under chapter 115B and response actions under chapter 115C;

(2) purposes of municipal water pollution control under the authority of chapters 115 and 116, including combined sewer overflow under section 116.162;

(3) costs associated with the decommissioning of nuclear power plants;

(4) hazardous waste disposal facilities; or

(5) solid waste disposal facilities.

Sec. 9. [86.87] [PROJECT REVIEW BY PEER REVIEW PANEL.]

Subdivision 1. [RESEARCH PROPOSALS.] *(a) Research proposals must include a stated purpose, timeline, potential outcomes and an explanation of the need for the research. Research proposals must be reviewed by a peer review panel before receiving an appropriation from the trust fund. In conducting research proposal reviews, the peer review panel must provide comments on:*

(1) the methodology proposed and whether it can be expected to yield appropriate and useful information and data;

(2) the need for the research and about similar existing information available, if any; and

(3) whether the research proposed meets the expenditure criteria under section 8, subdivision 3.

(b) The peer review panel must report to the commission on the comments made in conducting the reviews.

Subd. 2. [COMPLETED PROJECT REVIEW.] *The peer review panel must review completed research proposals that have received an appropriation from the trust fund and comment and report upon whether the project reached the intended goals.*

Subd. 3. [PEER REVIEW PANEL.] *(a) The peer review panel must consist of at least five but not more than 11 members who are knowledgeable in general research methods, including the areas of air quality research, water research, fish and wildlife management research, environmental health research, forest management research, and soil conservation research. Not more than two members of the panel may be employees of state agencies.*

(b) Members of the peer review panel shall be selected by the commission and serve four-year staggered terms according to section 15.059.

(c) Members of the peer review panel shall elect a chair every two years, who is responsible for convening meetings of the peer review panel as

often as is necessary to fulfill its duties as prescribed in this section.

(d) Compensation of panel members is governed by section 15.059, subdivision 3.

Sec. 10. [86.88] [ADMINISTRATION.]

Subdivision 1. [ADMINISTRATIVE AUTHORITY.] *The commission may appoint legal and other personnel and consultants necessary to carry out the commission's functions and duties. The commission may request staff assistance from agencies of state government as needed for the execution of the responsibilities of the commission.*

Subd. 2. [ADMINISTRATIVE EXPENSE.] (a) *The administrative expenses of the commission shall be paid from the general fund until June 30, 1990.*

(b) *The expenses of the commission may not exceed an amount equal to two percent of the total interest earned by the trust fund in the preceding fiscal year.*

(c) *The commission must include its administrative expense in the budget plan submitted to the governor or the legislature.*

Subd. 3. [COMMISSION MEETINGS.] *The commission meetings must be open to the public. The commission shall attempt to meet at least once in each of the state's congressional districts during each biennium.*

Subd. 4. [CONFLICT OF INTEREST.] *A commission member, peer review panel member, or an employee of the commission, may not participate in or vote on a decision of the commission or peer review panel relating to an organization in which the commission member, panel member, or employee has either a direct or indirect financial interest. While serving on the legislative commission or peer review panel, or being an employee of the commission, a person shall avoid potential conflicts of interest.*

Subd. 5. [REPORTS REQUIRED.] (a) *The commission shall, by July 1 of each even-numbered year, submit a report to the governor, the chairs of the house of representatives appropriations and senate finance committees and the chairs of the house of representatives and senate committees on environment and natural resources and to organizations and individuals that request in writing a copy of the report. Copies of the report must be available to the public.*

(b) *The report must include:*

(1) *a copy of the current strategic plan;*

(2) *a description of each project receiving money from the trust fund during the preceding two years;*

(3) *a summary of research projects completed in the preceding two years;*

(4) *to the extent known by the commission, descriptions of the projects anticipated to be supported by the trust fund during the next two years;*

(5) *the source and amount of revenues collected and credited to the trust fund and expenditures from the trust fund by the commission, including all administrative and other expenses;*

(6) *a description of the trust fund's assets and liabilities;*

(7) *a list of all gifts with a value over \$1,000;*

(8) a copy of the most recent certified financial and compliance audit; and

(9) a comparison of the amounts spent by the state for environment, natural resources, and wildlife activities through the most recent fiscal year.

Sec. 11. [86.89] [FUNDS AVAILABLE TO FUND BUDGET PLAN.]

Subdivision 1. [AMOUNTS AVAILABLE FOR FUNDING.] The amount of money available to fund the budget consists of the earnings from the trust fund generated in the preceding fiscal year and the amounts provided under subdivision 2.

Subd. 2. [INITIAL FUNDING FROM PRINCIPAL.] (a) For funding projects during the second fiscal year, up to 25 percent of the revenue credited to the trust fund during the first fiscal year, which ends June 30 after the effective date of this act, is available to fund the budget plan.

(b) For funding projects during the third fiscal year, up to 20 percent of the revenue credited to the trust fund the preceding fiscal year is available to fund the budget plan.

(c) For funding projects during the fourth fiscal year, up to 15 percent of the revenue credited to the fund the previous fiscal year is available to fund the budget plan.

(d) For funding projects during the fifth fiscal year, up to ten percent of the revenue credited to the fund the previous fiscal year is available to fund the budget plan.

(e) For funding projects during the sixth fiscal year, up to five percent of the revenue credited to the fund the previous fiscal year is available to fund the budget plan.

Sec. 12. [86.90] [NATURAL RESOURCES LOAN PROGRAM.]

Subdivision 1. [LOANS AUTHORIZED.] (a) If the principal of the trust fund equals or exceeds \$250,000,000, the commission may vote to set aside up to five percent per year of the principal of the trust fund in a natural resources loan account for investment purposes. The purpose of the natural resources loan account is to offer below market rate interest loans to local units of government for the purposes of water system improvements or emergency environmental protection, or both, including wastewater treatment, cleanup, and other programs consistent with the expenditure criteria established and section 8, subdivision 3.

(b) The interest on a loan shall be calculated on the declining balance at a rate four percentage points below the secondary market yield of one-year United States treasury bills calculated according to section 549.09, subdivision 1, paragraph (c).

(c) An eligible project for emergency environmental protection must prove that existing federal or state loans or grants have not been adequate for the emergency purpose.

(d) Payments on the principal and interest of loans under this section must be credited to the trust fund.

(e) Repayment of loans made under this section must be completed within 20 years.

(f) *The public facilities authority must report to the commission each year on the loan program under this section.*

Subd. 2. [APPLICATION AND ADMINISTRATION.] (a) The commission must adopt a procedure for the issuance of the natural resource loans by the public facilities authority.

(b) The commission also must ensure that the loan account is administered according to its fiduciary standards and requirements.

Subd. 3. [EXCEPTION INAPPLICABLE.] The spending prohibition in section 8, subdivision 3, paragraph (b), clause (2), does not apply to loans from the natural resources loan account.

Sec. 13. [INSTRUCTION TO REVISOR.]

The revisor shall change references to "legislative commission on Minnesota resources" to "the future resources commission" wherever it appears in the 1988 edition of Minnesota Statutes.

Sec. 14. [REPEALER.]

Minnesota Statutes 1986, sections 86.01; 86.02; 86.03; 86.06; 86.07; and 86.08 are repealed.

Sec. 15. [EFFECTIVE DATE.]

Sections 2 to 14 are effective immediately upon approval by the voters of the constitutional amendment proposed by section 1."

Delete the title and insert:

"A bill for an act proposing an amendment to the Minnesota Constitution by adding a section to article XI; establishing a Minnesota environment, natural resources, and wildlife trust fund; providing implementing legislation; creating a legislative commission; proposing coding for new law in Minnesota Statutes, chapter 86; repealing Minnesota Statutes 1986, sections 86.01; 86.02; 86.03; 86.06; 86.07; and 86.08."

And when so amended the bill do pass and be re-referred to the Committee on Governmental Operations. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1740 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1740	1738				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1740 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1740 and insert the language after the enacting clause of S.F. No. 1738, the first engrossment; further, delete the title of H.F. No. 1740 and insert the title of S.F. No. 1738, the first engrossment.

And when so amended H.F. No. 1740 will be identical to S.F. No. 1738, and further recommends that H.F. No. 1740 be given its second reading

and substituted for S.F. No. 1738, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 1686, 1801, 1844, 1758, 1749, 573 and 2003 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. No. 1740 was read the second time.

MOTIONS AND RESOLUTIONS

Mr. Chmielewski moved that the names of Messrs. Purfeerst, Benson and Laidig be added as co-authors to S.F. No. 88. The motion prevailed.

Mr. Dahl moved that the names of Messrs. Pogemiller and Merriam be added as co-authors to S.F. No. 1462. The motion prevailed.

Mr. Johnson, D.J. moved that his name be stricken as chief author, shown as a co-author, and the name of Mr. Lessard be added as chief author to S.F. No. 1536. The motion prevailed.

Ms. Berglin moved that the names of Messrs. Brandl and Chmielewski be added as co-authors to S.F. No. 1625. The motion prevailed.

Ms. Reichgott moved that the name of Mr. Spear be added as a co-author to S.F. No. 1769. The motion prevailed.

Mr. Dicklich moved that the name of Ms. Berglin be added as a co-author to S.F. No. 1840. The motion prevailed.

Mr. Metzen moved that the name of Ms. Reichgott be added as a co-author to S.F. No. 1894. The motion prevailed.

Ms. Piper moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 1904. The motion prevailed.

Mr. Vickerman moved that the name of Mr. Solon be added as a co-author to S.F. No. 1933. The motion prevailed.

Mr. Dahl moved that the name of Mr. Jude be added as a co-author to S.F. No. 1953. The motion prevailed.

Mr. Solon moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 1984. The motion prevailed.

Ms. Reichgott moved that the name of Mr. Marty be added as a co-author to S.F. No. 1989. The motion prevailed.

Mr. Vickerman moved that the name of Mr. Morse be added as a co-author to S.F. No. 2015. The motion prevailed.

Mr. Pogemiller moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 2016. The motion prevailed.

Mr. Dahl moved that the names of Messrs. Frank and Jude be added as co-authors to S.F. No. 2043. The motion prevailed.

Mr. Storm moved that the name of Mr. Jude be added as a co-author to S.F. No. 2056. The motion prevailed.

Mr. Schmitz moved that the name of Mr. Frederick be added as a co-author to S.F. No. 2096. The motion prevailed.

Mr. Novak moved that the name of Mr. Johnson, D.E. be added as a co-author to S.F. No. 2111. The motion prevailed.

Ms. Piper moved that the names of Messrs. Beckman and Vickerman be added as co-authors to S.F. No. 2112. The motion prevailed.

Mr. Morse moved that the names of Messrs. Luther, Davis and Dahl be added as co-authors to S.F. No. 2128. The motion prevailed.

Mr. Morse moved that the names of Messrs. Davis and Freeman be added as co-authors to S.F. No. 2129. The motion prevailed.

Mr. Morse moved that the name of Mr. Davis be added as a co-author to S.F. No. 2130. The motion prevailed.

Ms. Berglin moved that the name of Mr. Vickerman be added as a co-author to S.F. No. 2139. The motion prevailed.

Mr. Frederickson, D.R. introduced—

Senate Resolution No. 114: A Senate resolution congratulating the students of St. Peter High School for winning the North Star Challenge.

Referred to the Committee on Rules and Administration.

Messrs. Moe, R.D.; Langseth and Stumpf introduced—

Senate Concurrent Resolution No. 13: A Senate concurrent resolution establishing July 2 and 3, between Canada Day and Independence Day, as the annual Minnesota Manitoba, North Dakota, and Saskatchewan Days of Peace and Friendship.

Mr. Moe, R.D. moved that Senate Concurrent Resolution No. 13 be laid on the table. The motion prevailed.

Mr. Moe, D.M. moved that H.F. No. 257 be taken from the table. The motion prevailed.

H.F. No. 257: A bill for an act relating to state government; requiring the board of investments to adopt an investment policy; authorizing certain investments by the board of investments; providing that certain state employees who are eligible to retire are eligible for state-paid insurance benefits; modifying definition of terms and conditions of employment for public employees; amending Minnesota Statutes 1986, sections 11A.04; 11A.24, subdivisions 2, 4, 5, and 6; 11A.25; 43A.24, subdivision 2; and 179A.03, subdivision 19.

Mr. Moe, D.M. moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 257, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

CALENDAR

S.F. No. 1594: A bill for an act relating to human services; providing for definitions, exclusions, access to records, and period of receivership under the human services licensing act; liability of the state for municipal inspection functions; amending Minnesota Statutes 1986, section 466.132; and Minnesota Statutes 1987 Supplement, sections 245A.02, subdivision 13; 245A.03, subdivision 2; 245A.04, subdivisions 3 and 5; 245A.095, subdivision 1; 245A.11, subdivision 5; 245A.13, subdivision 5; 256D.01, subdivision 1d; and 256D.37, subdivision 5; repealing Minnesota Statutes 1987 Supplement, sections 256D.01, subdivision 1c; and 256D.37, subdivision 4.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 1644: A bill for an act relating to statutes; revising the text of certain laws to remove redundant and obsolete language, to simplify grammar and syntax, and to improve the style of language without causing changes in the meaning of the laws; amending Minnesota Statutes 1986, chapters 3, as amended; 31A; 227; 228; 306, as amended; 451; 456; and 560.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 1710: A bill for an act relating to insurance; clarifying powers of state compensation insurance fund; amending Minnesota Statutes 1987 Supplement, section 176A.04; proposing coding for new law in Minnesota Statutes, chapter 176A.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 1608: A bill for an act relating to the city of Minneapolis; updating references in its development laws; amending Laws 1980, chapter 595, section 3, subdivisions 1, as amended, 3, 6, and 7; and section 4.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Hughes in the chair.

After some time spent therein, the committee arose, and Mr. Hughes reported that the committee had considered the following:

S.F. Nos. 1622 and 1715, which the committee recommends to pass.

On motion of Mr. Moe, R.D., the report of the Committee of the Whole,

as kept by the Secretary, was adopted.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Messrs. Beckman and Morse introduced—

S.F. No. 2142: A bill for an act relating to workers' compensation; reassigning certain administrative duties; regulating reporting of injuries and information about injuries; regulating the payment of benefits; regulating the membership of the rehabilitation review panel; regulating rehabilitation services; changing certain administrative procedures; regulating dependent benefits; prohibiting excessive treatment or medical services; providing for data privacy; amending Minnesota Statutes 1986, sections 129A.05, subdivision 2; 176.021, subdivision 3; 176.081, subdivision 1; 176.101, subdivision 3e; 176.104, subdivision 1; 176.111, subdivisions 7 and 8; 176.135, by adding a subdivision; 176.191, subdivision 3; 176.221, subdivision 9; 176.225, subdivision 5; 176.231, subdivisions 8 and 9; Minnesota Statutes 1987 Supplement, sections 176.102, subdivisions 3 and 4; 176.103, subdivision 3; 176.106, subdivisions 7 and 9; 176.131, subdivision 1; 176.135, subdivisions 1 and 6; 176.155, subdivision 1; 176.238, subdivisions 1 and 9; 176.305, subdivisions 1 and 4; repealing Minnesota Statutes 1986, sections 176.021, subdivision 3a; 176.111, subdivision 8a; and 176.136, subdivision 3.

Referred to the Committee on Employment.

Messrs. Samuelson, Kroening, Ms. Peterson, D.C. and Mr. Anderson introduced—

S.F. No. 2143: A bill for an act relating to insurance; regulating certain medical examinations in no-fault automobile insurance cases; amending Minnesota Statutes 1986, section 65B.56, subdivision 1.

Referred to the Committee on Commerce.

Messrs. Wegscheid, Solon, Chmielewski and Samuelson introduced—

S.F. No. 2144: A bill for an act relating to health; health maintenance organizations; regulating chiropractic care; amending Minnesota Statutes 1986, sections 62D.02, subdivision 7; 62D.12, by adding a subdivision; Minnesota Statutes 1987 Supplement, section 62D.102.

Referred to the Committee on Health and Human Services.

Messrs. Wegscheid, Solon, Chmielewski and Samuelson introduced—

S.F. No. 2145: A bill for an act relating to health; providing equal access to chiropractic services; providing for the licensure of doctors of chiropractic; amending Minnesota Statutes 1986, sections 62A.15, subdivisions 1, 2, and 4; 148.08, by adding a subdivision; Minnesota Statutes 1987 Supplement, section 148.06, subdivision 1.

Referred to the Committee on Health and Human Services.

Messrs. Pehler, Luther, Mrs. Adkins and Mr. Bertram introduced—

S.F. No. 2146: A bill for an act relating to health maintenance organizations; waiving the preexisting condition restriction for coverage under the comprehensive health insurance plan for former health maintenance organization enrollees; requiring medical care providers to contract with health maintenance organizations; amending Minnesota Statutes 1986, section 62E.14, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 62D.

Referred to the Committee on Health and Human Services.

Messrs. Pehler, Luther and Mrs. Adkins introduced—

S.F. No. 2147: A bill for an act relating to health maintenance organizations; creating an arbitration panel to resolve controversies between health maintenance organizations and health care providers; proposing coding for new law in Minnesota Statutes, chapter 62D.

Referred to the Committee on Health and Human Services.

Messrs. Pehler, Luther, Mrs. Adkins and Mr. Bertram introduced—

S.F. No. 2148: A bill for an act relating to health maintenance organizations; requiring a reserve fund; prohibiting regional termination of health plans; requiring 90 days' notice of termination; creating conversion rights for enrollees; requiring the comprehensive health insurance plan to offer four medicare supplement options; waiving the preexisting condition restriction for coverage under the comprehensive health insurance plan for medicare supplement enrollees who are terminated due to bankruptcy of a health maintenance organization; amending Minnesota Statutes 1986, sections 62D.041, subdivision 2; 62D.12, subdivision 2, and by adding a subdivision; 62E.12; and 62E.14, subdivision 4; repealing Minnesota Statutes 1986, section 62D.041, subdivisions 1, 3 to 6, and 8.

Referred to the Committee on Health and Human Services.

Messrs. Beckman, Frank and Vickerman introduced—

S.F. No. 2149: A bill for an act relating to local government; increasing the maximum amount of capital notes home rule charter cities may issue for capital equipment; amending Minnesota Statutes 1986, section 410.32.

Referred to the Committee on Local and Urban Government.

Mr. Davis introduced—

S.F. No. 2150: A bill for an act relating to state contracts; prohibiting the state from requiring Indian tribes or bands to deny their sovereignty to contract with the state; amending Minnesota Statutes 1986, section 16B.06, by adding a subdivision.

Referred to the Committee on Governmental Operations.

Messrs. Stumpf; Bernhagen; Purfeerst; Johnson, D.E. and Mrs. Adkins introduced—

S.F. No. 2151: A bill for an act relating to taxation; property; classifying utility property as commercial-industrial; classifying certain personal property; amending Minnesota Statutes 1986, section 273.13, by adding a subdivision; and Minnesota Statutes 1987 Supplement, section 273.13, subdivision 24.

Referred to the Committee on Taxes and Tax Laws.

Mr. Waldorf, Mrs. Brataas, Messrs. Moe, R.D.; Benson and Langseth introduced—

S.F. No. 2152: A bill for an act relating to higher education; establishing the university center at Rochester; establishing its responsibilities, duties, and powers; providing for its governance; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 136E.

Referred to the Committee on Education.

Mr. Frank introduced—

S.F. No. 2153: A bill for an act relating to economic development; changing the structure of the Minnesota job skills partnership board; repealing the sunset of the board; amending Minnesota Statutes 1987 Supplement, section 116L.03, subdivisions 1, 2, and 5; repealing Laws 1983, chapter 334, section 7, as amended.

Referred to the Committee on Governmental Operations.

Mr. Stumpf introduced—

S.F. No. 2154: A bill for an act relating to retirement; authorizing the Thief River Falls firefighters relief association to pay service pensions to members otherwise qualified at age 50.

Referred to the Committee on Governmental Operations.

Mr. Pogemiller, Mrs. Brataas, Messrs. Luther; Moe, R.D. and Ms. Peterson, D.C. introduced—

S.F. No. 2155: A bill for an act relating to state government; authorizing the sale or lease of property within the jurisdiction of the commissioner of administration under certain conditions.

Referred to the Committee on Governmental Operations.

Mr. Spear introduced—

S.F. No. 2156: A bill for an act relating to criminal procedure; defining "crime" in the law governing issuance of search warrants to include violations of municipal ordinances; amending Minnesota Statutes 1986, section 626.05, by adding a subdivision.

Referred to the Committee on Judiciary.

Mr. Vickerman introduced—

S.F. No. 2157: A bill for an act relating to human services; establishing minimum maintenance and difficulty of care rates for adults in foster care; amending Minnesota Statutes 1987 Supplement, section 256D.37, subdivision 1.

Referred to the Committee on Health and Human Services.

Mr. Vickerman introduced—

S.F. No. 2158: A bill for an act relating to health; extending foster care insurance to providers of adult foster care; appropriating money; amending Minnesota Statutes 1986, section 245.814, subdivisions 1, 2, and 3.

Referred to the Committee on Health and Human Services.

Messrs. Solon, Chmielewski and Samuelson introduced—

S.F. No. 2159: A bill for an act relating to human services; affecting the demonstration project for uninsured low-income persons; adding Crow Wing county to the demonstration project geographic area; allowing additional demonstration projects; appropriating money; amending Minnesota Statutes 1987 Supplement, section 256B.73, subdivision 2, and by adding a subdivision; repealing Minnesota Statutes 1987 Supplement, section 256B.73, subdivision 10.

Referred to the Committee on Health and Human Services.

Mr. Luther introduced—

S.F. No. 2160: A bill for an act relating to state lands; conveying certain lands to the city of Brooklyn Center in Hennepin county.

Referred to the Committee on Environment and Natural Resources.

Messrs. Stumpf and Pogemiller introduced—

S.F. No. 2161: A bill for an act relating to taxation; making technical corrections and administrative changes to cigarette taxes and sales; liquor taxes; pull-tab taxes; sales and use taxes; insurance premiums tax; deed tax; telegraph gross earnings tax; and controlled substances tax; appropriating money; amending Minnesota Statutes 1986, sections 271.01, subdivision 5; 287.21, by adding a subdivision; 297.03, subdivision 12, and by adding a subdivision; 297.041, subdivision 1; 297.06, subdivisions 1, 2, 3, and by adding a subdivision; 297.08, subdivision 1; 297.12, subdivision 1; 297.35, by adding a subdivision; 297A.15, subdivision 5; 297A.25, subdivision 5, and by adding a subdivision; 297A.35, subdivision 1; 297C.02, subdivision 4; 297C.03, by adding a subdivision; 297C.07; 297D.08; 325D.33, by adding a subdivision; 329.11; 349.12, subdivision 18, and by adding subdivisions; 349.2121, subdivisions 1, 2, 5, and by adding a subdivision; 349.22, subdivision 1, and by adding subdivisions; and 473.843, subdivision 2; Minnesota Statutes 1987 Supplement, sections 69.54; 295.32; 297.01, subdivisions 7 and 14; 297.03, subdivision 6; 297.11, subdivision 5; 297A.01, subdivision 3; 297A.212; 297A.25, subdivision 11; 297C.04; 325D.32, subdivision 10; 325D.33, subdivision 4; 349.212, subdivisions 1 and 4; 349.2121, subdivisions 4a and 10; 349.2122; and 349.2123; proposing coding for new law in Minnesota Statutes 1986, chapters 297;

297C; and 349; repealing Minnesota Statutes 1986, section 297C.03, subdivision 5.

Referred to the Committee on Taxes and Tax Laws.

Mr. Wegscheid introduced—

S.F. No. 2162: A bill for an act relating to natural resources; authorizing the commissioner of natural resources to sell certain lands in Itasca county.

Referred to the Committee on Environment and Natural Resources.

Messrs. Luther; Johnson, D.J.; Moe, R.D.; Schmitz and Novak introduced—

S.F. No. 2163: A bill for an act relating to metropolitan government; limiting the metropolitan council's taxing authority; amending Minnesota Statutes 1986, section 473.249, subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

Mr. Wegscheid introduced—

S.F. No. 2164: A bill for an act relating to retirement; Minnesota state retirement system; authorizing the purchase of prior service credit by certain metropolitan sports facilities commission employees; repealing Minnesota Statutes 1986, section 473.565, subdivisions 3 and 4.

Referred to the Committee on Governmental Operations.

Mr. Dahl introduced—

S.F. No. 2165: A bill for an act relating to environment; requiring persons to notify the pollution control agency of and take steps to avoid air pollution; proposing coding for new law in Minnesota Statutes, chapter 116.

Referred to the Committee on Environment and Natural Resources.

Messrs. Pogemiller and Johnson, D.J. introduced—

S.F. No. 2166: A bill for an act relating to taxation; income; making technical and administrative corrections and changes; amending Minnesota Statutes 1986, sections 290.06, by adding a subdivision; 290.39, by adding a subdivision; and 290A.03, subdivision 7; Minnesota Statutes 1987 Supplement, sections 290.01, subdivisions 3a, 7, and 19a; 290.06, subdivisions 2c and 20; 290.067, subdivision 1; 290.081; 290.17, subdivision 2; 290.38; 290.41, subdivision 2; 290.92, subdivisions 7 and 15; 290A.03, subdivisions 3 and 8; 290A.06; and 290A.19; repealing Minnesota Statutes 1987 Supplement, section 290.077, subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Pogemiller and Johnson, D.J. introduced—

S.F. No. 2167: A bill for an act relating to taxation; making technical corrections and administrative changes to gross premiums, corporate franchise, royalty, and mineral taxes; appropriating money; amending Minnesota Statutes 1986, sections 62C.01, by adding a subdivision; and 64B.24; Minnesota Statutes 1987 Supplement, sections 60E.04, subdivision 4; 290.01,

subdivisions 19, 19a, 19c, 19d, and 19e; 290.06, subdivisions 1 and 21; 290.092, subdivisions 3, 4, and by adding a subdivision; 290.095, subdivision 3, and by adding a subdivision; 290.191, subdivisions 6 and 11; 290.371, subdivision 5; 290.9725; and 299.01, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 290 and 298; repealing Minnesota Statutes 1986, sections 298.013 and 298.401; and Minnesota Statutes 1987 Supplement, section 290.10.

Referred to the Committee on Taxes and Tax Laws.

Mr. Bertram introduced—

S.F. No. 2168: A bill for an act relating to traffic regulations; providing for safety of school safety patrol members; amending Minnesota Statutes 1986, section 169.21, subdivision 2.

Referred to the Committee on Transportation.

Messrs. Dahl and Morse introduced—

S.F. No. 2169: A bill for an act relating to education; appropriating money to the higher education coordinating board, University of Minnesota, and state board of vocational technical education.

Referred to the Committee on Education.

Messrs. Kroening and Cohen introduced—

S.F. No. 2170: A bill for an act relating to housing; requiring a landlord to pay damages for renting condemned residential premises; proposing coding for new law in Minnesota Statutes, chapter 504.

Referred to the Committee on Economic Development and Housing.

Messrs. Johnson, D.E.; Storm; Bernhagen; Larson and Anderson introduced—

S.F. No. 2171: A bill for an act relating to taxation; exempting railroad retirement benefits from taxation; amending Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19b.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Metzen and Bertram introduced—

S.F. No. 2172: A bill for an act relating to veterans; requiring the commissioner of veterans affairs to provide certain grave markers; appropriating money; amending Minnesota Statutes 1986, section 197.23.

Referred to the Committee on Veterans.

Mrs. McQuaid, Messrs. Ramstad, Larson and Knaak introduced—

S.F. No. 2173: A bill for an act relating to education; restoring certain categorical programs; creating reimbursement aid for special academic programs; increasing interdistrict cooperation aid; increasing summer program aid; appropriating money; amending Minnesota Statutes 1986, sections 124.247, by adding a subdivision; 124.272, subdivisions 3 and 4; Minnesota Statutes 1987 Supplement, section 124.246, subdivision 2; Laws

1987, chapter 398, article 1, section 27, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 124A; repealing Minnesota Statutes 1986, section 124.272, subdivision 5; Minnesota Statutes 1987 Supplement, section 124A.27.

Referred to the Committee on Education.

Messrs. Morse; Peterson, R.W.; Vickerman; Moe, D.M. and Benson introduced—

S.F. No. 2174: A bill for an act relating to courts; repealing the law allowing the court administrator to appeal the salary set by the county board to the district court; repealing Minnesota Statutes 1986, section 485.018, subdivision 7.

Referred to the Committee on Governmental Operations.

Messrs. Wegscheid and Pogemiller introduced—

S.F. No. 2175: A bill for an act relating to retirement; local government correctional service retirement plan; clarifying coverage periods; adjusting member and employer contribution rates; clarifying annuity calculations for fractional service; clarifying the duration of initial annuity payments; providing for the augmentation of deferred annuities; amending Minnesota Statutes 1987 Supplement, sections 353C.03; 353C.05; 353C.06, subdivisions 3 and 4; and 353C.07.

Referred to the Committee on Governmental Operations.

Messrs. Metzen, Schmitz, Jude, Frederick and Belanger introduced—

S.F. No. 2176: A bill for an act relating to taxation; sales; exempting nonprescription drugs and health products; amending Minnesota Statutes 1987 Supplement, section 297A.25, subdivision 3.

Referred to the Committee on Taxes and Tax Laws.

Mr. Belanger, Mrs. McQuaid, Mr. Schmitz and Mrs. Adkins introduced—

S.F. No. 2177: A bill for an act relating to zoning; providing for filing requirements of variances to real property; amending Minnesota Statutes 1986, section 462.36, subdivision 1.

Referred to the Committee on Local and Urban Government.

Messrs. Ramstad, Knaak and Mrs. McQuaid introduced—

S.F. No. 2178: A bill for an act relating to negligence; granting immunity to municipalities for claims arising from nonprofit athletic associations' use of facilities and property; granting immunity to certain athletic coaches, managers, volunteers, and nonprofit athletic associations from claims of spectators; amending Minnesota Statutes 1986, section 466.03, by adding a subdivision; and Minnesota Statutes 1987 Supplement, section 604.08, subdivision 1.

Referred to the Committee on Judiciary.

Messrs. Larson; Decker; Lessard; Johnson, D.E. and Anderson introduced—

S.F. No. 2179: A bill for an act relating to economic development; recreating a tourism loan program within the department of trade and economic development; providing for the powers and duties of the commissioner; authorizing rulemaking; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116J.

Referred to the Committee on Economic Development and Housing.

Messrs. Belanger, Mehrkens, Freeman, Knutson and Larson introduced—

S.F. No. 2180: A bill for an act relating to education; allowing transportation of walking pupils in certain circumstances; amending Minnesota Statutes 1986, section 123.39, by adding a subdivision.

Referred to the Committee on Education.

Ms. Berglin introduced—

S.F. No. 2181: A bill for an act relating to human services; creating an advisory committee to study case mix changes and to develop a training program for providers; amending Minnesota Statutes 1986, section 256B.431, by adding a subdivision.

Referred to the Committee on Health and Human Services.

Messrs. Metzen, Jude, Laidig, Ms. Reichgott and Mr. Novak introduced—

S.F. No. 2182: A bill for an act relating to taxation; providing for payment of tax increments attributable to referendum levy increases to school districts; amending Minnesota Statutes 1987 Supplement, section 469.177, by adding a subdivision.

Referred to the Committee on Economic Development and Housing.

Ms. Berglin, Messrs. Spear, Knaak, Marty and Luther introduced—

S.F. No. 2183: A bill for an act relating to crimes; increasing penalties for certain crimes when committed because of the victim's race, color, religion, sex, affectional or sexual orientation, or national origin; amending Minnesota Statutes 1986, sections 609.223; 609.605, by adding a subdivision; 609.79, by adding a subdivision; and Minnesota Statutes 1987 Supplement, sections 609.595, subdivisions 2, 3, and by adding a subdivision; 609.746, by adding a subdivision; and 609.795.

Referred to the Committee on Judiciary.

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

S.F. No. 2184: A bill for an act relating to retirement; teachers retirement fund and teachers retirement, certain cities; imposing penalties on late payment of employer contributions to the teachers retirement fund; imposing interest and penalties on late payments to the teachers retirement fund associations in certain cities; amending Minnesota Statutes 1986, sections

354.52, subdivision 4; and 354A.12, subdivision 2.

Referred to the Committee on Governmental Operations.

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

S.F. No. 2185: A bill for an act relating to the organization of state government; restoring certain duties of the state treasurer; appropriating money; amending Minnesota Statutes 1986, sections 11A.20, subdivision 1; 16A.055, subdivision 7; 16A.42, subdivision 2, and by adding a subdivision; 16A.45, subdivision 2; 16A.47; 16A.58; 16A.672, subdivisions 1, 2, and 3; 69.031, by adding a subdivision; 268.05, subdivision 2; 349.212, by adding a subdivision; 361.03, subdivision 5; 361.27; and 473.606, subdivision 1; and Minnesota Statutes 1987 Supplement, sections 16A.275, subdivision 1; and 609.101, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 7 and 10.

Referred to the Committee on Governmental Operations.

Mr. Berg introduced—

S.F. No. 2186: A bill for an act relating to environment; providing assistance to equalize excessive wastewater treatment charges; establishing an engineering services bureau for assistance to wastewater authorities; imposing a surcharge for funding equalization of wastewater treatment rates; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 446A.

Referred to the Committee on Environment and Natural Resources.

Mr. Samuelson, Mrs. Lantry, Mses. Piper, Berglin and Mr. Knutson introduced—

S.F. No. 2187: A bill for an act relating to human services; eliminating certain limitations on reimbursement to providers; appropriating money; amending Minnesota Statutes 1986, section 256B.03, by adding a subdivision; Minnesota Statutes 1987 Supplement, sections 256.969, subdivision 2; and 256D.03, subdivision 4.

Referred to the Committee on Health and Human Services.

Messrs. Wegscheid, Knaak, Knutson, Ms. Reichgott and Mr. Dicklich introduced—

S.F. No. 2188: A bill for an act relating to education; increasing the capital expenditure and general education revenue amounts; amending Minnesota Statutes 1987 Supplement, sections 124.244, subdivision 1; and 124A.22, subdivision 2.

Referred to the Committee on Education.

Mr. Davis introduced—

S.F. No. 2189: A bill for an act relating to game and fish; lowering the percentage of a disability required of veterans to qualify for a permanent license; amending Minnesota Statutes 1987 Supplement, section 97A.441, subdivision 5.

Referred to the Committee on Environment and Natural Resources.

Mr. Pogemiller introduced—

S.F. No. 2190: A bill for an act relating to local economic development powers; abolishing economic development authorities; enabling housing and redevelopment authorities to become community development agencies and to exercise the powers of economic development authorities; correcting citations; amending Minnesota Statutes 1986, section 117.521, subdivision 3; Minnesota Statutes 1987 Supplement, sections 353.01, subdivision 2a; 355.11, subdivision 5; 462C.02, subdivision 9; 469.002, subdivision 2; 469.091, subdivision 1; 469.094, by adding a subdivision; 469.107, subdivision 1; 469.155, subdivision 2; 469.174, subdivision 8; and 469.181, subdivision 1; Laws 1987, chapter 182, section 2, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 469; repealing Minnesota Statutes 1987 Supplement, sections 469.090 to 469.108.

Referred to the Committee on Economic Development and Housing.

Mr. Pogemiller introduced—

S.F. No. 2191: A bill for an act relating to animals; modifying regulations of kennels and dealers of certain animals used for research purposes; amending Minnesota Statutes 1987 Supplement, sections 347.31, subdivision 4; and 347.37.

Referred to the Committee on General Legislation and Public Gaming.

Mr. Frank, Mrs. Lantry, Messrs. Dicklich, Solon and Kroening introduced—

S.F. No. 2192: A bill for an act relating to economic development; permitting certain development authorities to hold certain licenses; amending Minnesota Statutes 1987 Supplement, section 469.155, subdivision 13.

Referred to the Committee on Economic Development and Housing.

Mr. Pogemiller introduced—

S.F. No. 2193: A bill for an act relating to state government; permitting employee payroll deductions for homeowners and automobile insurance programs; amending Minnesota Statutes 1986, section 16A.133, by adding a subdivision.

Referred to the Committee on Governmental Operations.

Mr. Frederickson, D.J. introduced—

S.F. No. 2194: A bill for an act relating to environment; prohibiting the sale of certain polyethylene material; requiring rulemaking; providing penalties; creating an advisory task force and providing for its duties; proposing coding for new law in Minnesota Statutes, chapter 325E.

Referred to the Committee on Environment and Natural Resources.

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

S.F. No. 2195: A bill for an act relating to education; making technical corrections to the cooperative secondary facilities grant act; amending Minnesota Statutes 1987 Supplement, section 124.494, subdivisions 5 and 6.

Referred to the Committee on Education.

Mr. Frederickson, D.J. introduced—

S.F. No. 2196: A bill for an act relating to economic development; authorizing the commissioner to award set-aside procurements to local small businesses; amending Minnesota Statutes 1986, section 16B.19, subdivision 5; Minnesota Statutes 1987 Supplement, sections 16B.19, subdivision 6; and 645.445, subdivision 5.

Referred to the Committee on Governmental Operations.

Mr. Frederickson, D.J. introduced—

S.F. No. 2197: A bill for an act relating to advertising devices; permitting directional signs for rural commercial businesses; amending Minnesota Statutes 1986, sections 173.02, by adding a subdivision; and 173.08, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 173.

Referred to the Committee on Transportation.

Messrs. Solon and Gustafson introduced—

S.F. No. 2198: A bill for an act relating to the city of Duluth; authorizing the expenditure of previously appropriated funds for acquisition or construction of Duluth's Western Waterfront Trail.

Referred to the Committee on Finance.

Messrs. Stumpf and Lessard introduced—

S.F. No. 2199: A bill for an act relating to game and fish; adjusting the height of deer stands; amending Minnesota Statutes 1986, section 97B.325.

Referred to the Committee on Environment and Natural Resources.

Mr. Renneke introduced—

S.F. No. 2200: A bill for an act relating to retirement; public employees retirement association; authorizing certain public hospital employees to obtain retirement coverage; authorizing certain public hospital employees to purchase prior service credit; repealing Minnesota Statutes 1986, section 355.73, subdivision 8.

Referred to the Committee on Governmental Operations.

Messrs. Renneke, Frederick, Bernhagen, Belanger and Gustafson introduced—

S.F. No. 2201: A bill for an act relating to taxation; income; excluding certain volunteer firefighters lump sum distributions; amending Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19b.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Renneke, Frederick, Bernhagen, Gustafson and Benson introduced—

S.F. No. 2202: A bill for an act relating to taxation; income; excluding certain compensation for military services; amending Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19b.

Referred to the Committee on Taxes and Tax Laws.

Mr. Benson introduced—

S.F. No. 2203: A bill for an act relating to human services; authorizing a county to establish an adult protection team; requiring records to be maintained; proposing coding for new law in Minnesota Statutes, chapter 626.

Referred to the Committee on Health and Human Services.

Messrs. Benson, Decker and Frederickson, D.R. introduced—

S.F. No. 2204: A bill for an act relating to taxation; exempting railroad retirement benefits from taxation; amending Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19b.

Referred to the Committee on Taxes and Tax Laws.

Ms. Peterson, D.C. introduced—

S.F. No. 2205: A bill for an act relating to education; creating a productivity improvement project; appropriating money.

Referred to the Committee on Education.

Ms. Peterson, D.C. introduced—

S.F. No. 2206: A bill for an act relating to human services; requiring county community social service plans to address the county's responsibility to establish a system of early intervention services for handicapped children; amending Minnesota Statutes 1987 Supplement, section 256E.09, subdivision 3.

Referred to the Committee on Health and Human Services.

Ms. Berglin introduced—

S.F. No. 2207: A bill for an act relating to marriage dissolution; providing for parties to a dissolution to disclose assets and liabilities; requiring the supreme court to prepare forms for disclosure; providing sanctions for misrepresentations or omissions or failure to file any disclosure; proposing coding for new law in Minnesota Statutes, chapter 518.

Referred to the Committee on Judiciary.

Messrs. Chmielewski; Johnson, D.J.; Ms. Piper, Messrs. Kroening and Frank introduced—

S.F. No. 2208: A bill for an act relating to workers' compensation; providing a single type of benefit for permanent partial disabilities; requiring all employers to purchase workers' compensation insurance from the state insurance fund; amending Minnesota Statutes 1986, sections 176.021, subdivision 3; 176.061, subdivision 10; 176.101, subdivisions 3e, 3f, 3i, 3j, 3l, 3r, and by adding a subdivision; 176.185, by adding a subdivision; 176.221, subdivision 6a; 176A.03, subdivision 2; Minnesota Statutes 1987 Supplement, sections 176.179; and 176A.02, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 176A; repealing Minnesota Statutes 1986, sections 176.011, subdivision 26; 176.101, subdivisions 3a,

3b, 3c, 3g, 3m, 3o, 3p, 3q, 3s, and 3t; and 176.105.

Referred to the Committee on Employment.

Ms. Peterson, D.C. and Mr. Marty introduced—

S.F. No. 2209: A bill for an act relating to health; requiring the elimination of designated smoking areas in certain instances; protecting complainants of smoke-induced discomfort; amending Minnesota Statutes 1986, section 144.415; and Minnesota Statutes 1987 Supplement, section 144.412; proposing coding for new law in Minnesota Statutes, chapter 144.

Referred to the Committee on Health and Human Services.

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

S.F. No. 2210: A bill for an act relating to education; allowing noncontiguous school districts to consolidate; amending Minnesota Statutes 1986, section 122.23, subdivision 1.

Referred to the Committee on Education.

Messrs. Marty and Merriam introduced—

S.F. No. 2211: A bill for an act relating to taxation; individual income; modifying the tax rates; amending Minnesota Statutes 1987 Supplement, section 290.06, subdivision 2c.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Samuelson, Lessard and Moe, R.D. introduced—

S.F. No. 2212: A bill for an act relating to natural resources; revising provisions relating to the Heartland Trail; amending Minnesota Statutes 1986, section 85.015, subdivision 12.

Referred to the Committee on Environment and Natural Resources.

Mr. Moe, R.D. introduced—

S.F. No. 2213: A bill for an act relating to state lands; authorizing sale of certain tax-forfeited lands that border public water in East Grand Forks, Polk county.

Referred to the Committee on Environment and Natural Resources.

Mr. Merriam introduced—

S.F. No. 2214: A bill for an act relating to natural resources; authorizing the commissioner to sell certain surplus lands to local governments for local recreation or natural resource purposes; specifying the amount above appraised value that the commissioner may pay when acquiring land; transferring certain duties of county auditors and treasurers relating to the sale of state land to the commissioner; authorizing long-term leases of state land for certain purposes; modifying certain provisions of land exchange laws relating to appraisals and fees; amending Minnesota Statutes 1986, sections 84.027, by adding a subdivision; 92.16, subdivision 1; 92.23; 92.24; 92.26; 92.27; 92.50, subdivision 1; 94.343, subdivision 3; and 94.348; Minnesota Statutes 1987 Supplement, section 84.0272; repealing

Minnesota Statutes 1986, section 92.25.

Referred to the Committee on Environment and Natural Resources.

Mr. Johnson, D.J. introduced—

S.F. No. 2215: A bill for an act relating to state lands; authorizing private conveyance of tax-forfeited land in St. Louis county.

Referred to the Committee on Environment and Natural Resources.

Mr. Johnson, D.J. introduced—

S.F. No. 2216: A bill for an act relating to land exchange; authorizing the exchange of certain state lands free from reservations of public travel under certain conditions; amending Minnesota Statutes 1986, section 94.342, subdivision 3.

Referred to the Committee on Environment and Natural Resources.

Mr. Novak introduced—

S.F. No. 2217: A bill for an act relating to state lands; authorizing transfer of certain state lands in Ramsey county to the city of Mounds View.

Referred to the Committee on Environment and Natural Resources.

Without objection, the Senate reverted to the Order of Business of Motions and Resolutions.

MOTIONS AND RESOLUTIONS

Mr. Purfeerst moved that S.F. No. 1592 be withdrawn from the Committee on Taxes and Tax Laws and re-referred to the Committee on Finance. The motion prevailed.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Thursday, March 3, 1988. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

SIXTY-THIRD DAY

St. Paul, Minnesota, Thursday, March 3, 1988

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

CALL OF THE SENATE

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

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

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

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

The President declared a quorum present.

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

MEMBERS EXCUSED

Mr. Schmitz was excused from the Session of today.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

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

February 22, 1988

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointments to the Greater Minnesota Corporation Board of Directors are hereby respectfully submitted to the Senate for confirmation as required by law:

D. Bruce Merrifield, 1316 New Hampshire Ave. N.W., Washington, D.C., has been appointed by me, effective August 24, 1987, for a term expiring the first Monday in January, 1994.

Laurence L. Osterwise, Hwy. 52 and 37th St. N.W., Rochester, Olmsted County, has been appointed by me, effective November 7, 1987, for a term expiring the first Monday in January, 1992.

May Yue, 6604 Cornelia Dr., Edina, Hennepin County, has been appointed by me, effective November 7, 1987, for a term expiring the first Monday in January, 1992.

Francis Ryan, 1018 E. 24th St., Hibbing, St. Louis County, has been appointed by me, effective November 7, 1987, for a term expiring the first Monday in January, 1990.

Dale R. Olseth, 132 Homedale Rd., Hopkins, Hennepin County, has been appointed by me, effective November 7, 1987, for a term expiring the first Monday in January, 1994.

William C. Norris, 12760 Chinchilla Ave. W., Rosemount, Dakota County, has been appointed by me, effective November 7, 1987, for a term expiring the first Monday in January, 1990.

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

February 22, 1988

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointments to the Greater Minnesota Corporation Board of Directors are hereby respectfully submitted to the Senate for confirmation as required by law:

William F Miller, 821 San Francisco Ct., Stanford, California, has been appointed by me, effective November 7, 1987, for a term expiring the first Monday in January, 1992.

Elroy Webster, Rt. 2, Nicollet, Nicollet County, has been appointed by me, effective November 7, 1987, for a term expiring the first Monday in January, 1994.

Howard Fortier, 4450 Stinson Blvd. N.E., Minneapolis, Hennepin County, has been appointed by me, effective November 7, 1987, for a term expiring the first Monday in January, 1994.

Dr. Donald S. Fredrickson, 6615 Bradley Blvd., Bethesda, Maryland, has been appointed by me, effective November 7, 1987, for a term expiring the first Monday in January, 1992.

Harold W. Greenwood, Jr., 5145 Woodlawn Blvd., Minneapolis, Hennepin County, has been appointed by me, effective November 7, 1987, for a term expiring the first Monday in January, 1990.

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

Sincerely,

Rudy Perpich, Governor

MESSAGES FROM THE HOUSE

Mr. President:

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

Senate Concurrent Resolution No. 11: A Senate concurrent resolution providing session deadline dates for the legislature pursuant to Joint Rule 2.03.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned February 29, 1988

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 1575: A bill for an act relating to game and fish; clarifying when a trout and salmon stamp is required and responsibility for road-kill deer; amending Minnesota Statutes 1986, section 97C.305; Minnesota Statutes 1987 Supplement, sections 97A.475, subdivisions 6 and 7; 97A.485, subdivision 6; and 97A.502; repealing Minnesota Statutes 1987 Supplement, section 97A.451, subdivision 1.

Senate File No. 1575 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned February 29, 1988

Mr. Moe, R.D. moved that S.F. No. 1575 be laid on the table. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 1184: A bill for an act relating to state lands; authorizing the conveyance of certain lands in Pine county to the Amherst H. Wilder Foundation; amending Laws 1981, chapter 354, section 1, subdivisions 1 and 5; repealing Laws 1981, chapter 354, section 1, subdivisions 2, 3, and 4.

Senate File No. 1184 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned February 29, 1988

CONCURRENCE AND REPASSAGE

Mr. Chmielewski moved that the Senate concur in the amendments by the House to S.F. No. 1184 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1184 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 58 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill, as amended, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. Moe, R.D. moved that S.F. No. 1575 be taken from the table. The motion prevailed.

S.F. No. 1575: A bill for an act relating to game and fish; clarifying when a trout and salmon stamp is required and responsibility for road-kill deer; amending Minnesota Statutes 1986, section 97C.305; Minnesota Statutes 1987 Supplement, sections 97A.475, subdivisions 6 and 7; 97A.485, subdivision 6; and 97A.502; repealing Minnesota Statutes 1987 Supplement, section 97A.451, subdivision 1.

CONCURRENCE AND REPASSAGE

Mr. Berg moved that the Senate concur in the amendments by the House to S.F. No. 1575 and that the bill be placed on its repassage as amended.

Mr. Merriam moved that the Senate do not concur in the amendments by the House to S.F. No. 1575, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House.

The question was taken on the adoption of the motion of Mr. Merriam.

The roll was called, and there were yeas 44 and nays 17, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Knutson	Metzen	Reichgott
Anderson	Davis	Kroening	Moe, D.M.	Samuelson
Beckman	DeCramer	Laidig	Morse	Spear
Belanger	Diessner	Lantry	Olson	Storm
Benson	Frank	Larson	Pehler	Stumpf
Bertram	Frederickson, D.J.	Marty	Peterson, D.C.	Taylor
Brandl	Freeman	McQuaid	Peterson, R. W.	Waldorf
Brataas	Johnson, D.E.	Mehrkens	Piper	Wegscheid
Chmielewski	Jude	Merriam	Ramstad	

Those who voted in the negative were:

Berg	Dicklich	Johnson, D.J.	Novak	Solon
Berglin	Frederick	Knaak	Pogemiller	
Bernhagen	Frederickson, D.R.	Langseth	Purfeerst	
Decker	Gustafson	Lessard	Renneke	

The motion prevailed.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F Nos. 1761, 1790, 1836, 1858, 1816, 1850, 1851, 1867, 1704 and 1749.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted February 29, 1988

FIRST READING OF HOUSE BILLS

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

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

Referred to the Committee on Environment and Natural Resources.

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

Referred to the Committee on Rules and Administration for comparison with S.F No. 1768, now on General Orders.

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

Referred to the Committee on Judiciary.

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

Referred to the Committee on Environment and Natural Resources.

H.F No. 1816: A bill for an act relating to traffic regulations; requiring

motor vehicle lessors to provide child passenger restraints on request; amending Minnesota Statutes 1987 Supplement, section 169.685, subdivision 6.

Referred to the Committee on Transportation.

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

Referred to the Committee on Local and Urban Government.

H.F. No. 1851: A bill for an act relating to local government; regulating duties of town officers; setting town powers; amending Minnesota Statutes 1986, sections 18.272; 465.71; and 471.653; and Minnesota Statutes 1987 Supplement, section 115A.921; and repealing Minnesota Statutes 1986, section 365.03.

Referred to the Committee on Taxes and Tax Laws.

H.F. No. 1867: A bill for an act relating to Washington county; repealing a provision for county board expenses; repealing Laws 1965, chapter 524, as amended.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1699, now on Consent Calendar.

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

Referred to the Committee on Taxes and Tax Laws.

H.F. No. 1749: A bill for an act relating to transportation; increasing the tax on gasoline and special fuel to 20 cents per gallon; increasing the share of motor vehicle excise tax revenues dedicated to highways and transit to 35 percent; amending Minnesota Statutes 1986, section 296.02, subdivision 1b; and Minnesota Statutes 1987 Supplement, sections 296.025, subdivisions 2a and 2b; and 297B.09, subdivision 1.

Referred to the Committee on Finance.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of the reports pertaining to appointments. The motion prevailed.

Mr. Dicklich from the Committee on Public Utilities and Energy, to which was referred

S.F. No. 1751: A bill for an act relating to utilities; improving the administration of the public utilities commission and the department of public service; encouraging settlements of gas and electric rate cases; authorizing the commission to extend the time period for considering rate cases under certain circumstances; providing for the imposition of interim rates in subsequent rate cases when the commission extends the time period for considering a rate case; requiring the administrative law judge to submit a report to the commission in a rate case within a certain period of time; requiring utilities and telephone companies to make refunds under certain

circumstances; providing for commission review of certain utility sales or acquisition of plants located outside the state; deregulating coin-operated telephones and providing minimum standards; requiring telephone companies to provide notice to the commission and department when making certain transactions with affiliated companies; amending Minnesota Statutes 1986, sections 216B.16, subdivisions 1a, 2, and 3; 216B.17, by adding a subdivision; 216B.50, subdivision 1; 237.01, subdivision 2, and by adding a subdivision; 237.075, subdivisions 2 and 3; and 237.081, by adding a subdivision; Minnesota Statutes 1987 Supplement, section 237.65, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 237.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 216B.16, subdivision 1a, is amended to read:

Subd. 1a. ~~[SETTLEMENT BARRED.]~~ When a public utility proposes changes in general rates that would increase general rates paid by consumers, the commission may approve the change without a contested case hearing if applicant and all intervening parties agree to a stipulated settlement of the case and the settlement is supported by substantial evidence *submits a general rate filing, the office of administrative hearings, before conducting a contested case hearing, shall convene a settlement conference including all of the parties for the purpose of encouraging settlement of any or all the issues in the contested case. If a stipulated settlement is not reached before the contested case hearing, the office of administrative hearings may reconvene the settlement conference during or after completion of the contested case hearing at its discretion or a party's request. If the applicant and all intervening parties agree to a stipulated settlement of the case or parts of the case, the settlement must be submitted to the commission. The commission shall accept or reject the settlement in its entirety and, at any time until its final order is issued in the case, may require the office of administrative hearings to conduct a contested case hearing. The commission may accept the settlement if it finds it is in the public interest and it is supported by substantial evidence. If the commission does not accept the settlement, it may issue an order modifying the settlement subject to the approval of the parties. Each party has ten days in which to reject the proposed modification. If no party rejects the proposed modification, the commission's order becomes final. If the commission rejects the settlement, or a party rejects the commission's proposed modification, a contested case hearing must be completed.*

Sec. 2. Minnesota Statutes 1986, section 216B.16, subdivision 2, is amended to read:

Subd. 2. [SUSPENSION OF RATES; HEARING.] (a) Whenever there is filed with the commission a schedule modifying or resulting in a change in any rates then in force as provided in subdivision 1, the commission may suspend the operation of the schedule by filing with the schedule of rates and delivering to the affected utility a statement in writing of its reasons for the suspension at any time before the rates become effective. The suspension shall not be for a longer period than ten months beyond the initial filing date *except as provided in paragraph (b).* During the suspension the commission shall determine whether all questions of the

reasonableness of the rates requested raised by persons deemed interested or by the ~~administrative division~~ of the department of public service can be resolved to the satisfaction of the commission. If the commission finds that all significant issues raised have not been resolved to its satisfaction, or upon petition by ten percent of the affected customers or 250 affected customers, whichever is less, it shall refer the matter to the office of administrative hearings with instructions for a public hearing as a contested case pursuant to chapter 14, except as otherwise provided in this section. The commission may order that the issues presented by the proposed rate changes be bifurcated into two separate hearings as follows: (1) determination of the utility's revenue requirements and (2) determination of the rate design. Upon issuance of both ~~hearing examiner~~ *administrative law judge* reports, the issues shall again be joined for consideration and final determination by the commission. All prehearing discovery activities of state agency intervenors shall be consolidated and conducted by the department of public service. If the commission does not make a final determination concerning a schedule of rates within ten months after the initial filing date, the schedule shall be deemed to have been approved by the commission; except if a settlement has been submitted to and rejected by the commission, the schedule is deemed to have been approved 12 months after the initial filing.

(b) If the commission finds that it has insufficient time during the suspension period to make a final determination of a case involving changes in general rates because of the need to make final determinations of other previously filed cases involving changes in general rates under this section or section 237.075, the commission may extend the suspension period to the extent necessary to allow itself 20 working days to make the final determination after it has made final determinations in the previously filed cases. An extension of the suspension period under this paragraph does not alter the setting of interim rates under subdivision 3.

(c) For the purposes of this section, "final determination" means the initial decision of the commission and not any order which may be entered by the commission in response to a petition for rehearing or other further relief. The commission may further suspend rates until it determines all those petitions.

Sec. 3. Minnesota Statutes 1986, section 216B.16, subdivision 3, is amended to read:

Subd. 3. [INTERIM RATES.] Notwithstanding any order of suspension of a proposed increase in rates, the commission shall order an interim rate schedule into effect not later than 60 days after the initial filing date. The commission shall order the interim rate schedule ex parte without a public hearing. Notwithstanding the provisions of sections 216.25, 216B.27 and 216B.52, no interim rate schedule ordered by the commission pursuant to this subdivision shall be subject to an application for a rehearing or an appeal to a court until the commission has rendered its final determination. Unless the commission finds that exigent circumstances exist, the interim rate schedule shall be calculated using the proposed test year cost of capital, rate base, and expenses, except that it shall include: (1) a rate of return on common equity for the utility equal to that authorized by the commission in the utility's most recent rate proceeding; (2) rate base or expense items the same in nature and kind as those allowed by a currently effective order of the commission in the utility's most recent rate proceeding; and (3) no change in the existing rate design. In the case of a utility which has not been subject to a prior commission determination, the commission shall

base the interim rate schedule on its most recent determination concerning a similar utility.

If, at the time of its final determination, the commission finds that the interim rates are in excess of the rates in the final determination, the commission shall order the utility to refund the excess amount collected under the interim rate schedule, including interest on it which shall be at the rate of interest determined by the commission. The utility shall commence distribution of the refund to its customers within 120 days of the final order, not subject to rehearing or appeal. If, at the time of its final determination, the commission finds that the interim rates are less than the rates in the final determination, the commission shall prescribe a method by which the utility will recover the difference in revenues from the date of the final determination to the date the new rate schedules are put into effect.

If the public utility fails to make refunds within the period of time prescribed by the commission, the commission shall sue therefor and may recover on behalf of all persons entitled to a refund. In addition to the amount of the refund and interest due, the commission shall be entitled to recover reasonable attorney's fees, court costs and estimated cost of administering the distribution of the refund to persons entitled to it. No suit under this subdivision shall be maintained unless instituted within two years after the end of the period of time prescribed by the commission for repayment of refunds. The commission shall not order an interim rate schedule *in a general rate case* into effect as provided by this subdivision until at least four months after it has made a final determination concerning any previously filed change of the rate schedule or the change has otherwise become effective under subdivision 2, unless it:

(1) *the commission finds that a four month delay would unreasonably burden the utility, its customers, or its shareholders and that an earlier imposition of interim rates is therefore necessary; or*

(2) *the utility files a second general rate case at least 12 months after it has filed a previous general rate case for which the commission has extended the suspension period under subdivision 2.*

Sec. 4. Minnesota Statutes 1986, section 237.075, subdivision 2, is amended to read:

Subd. 2. [SUSPENSION OF RATES; HEARING.] (a) Whenever there is filed with the commission as provided in subdivision 1 a schedule modifying or resulting in a change in any rate then in force, the commission may suspend the operation of the schedule by filing with the schedule of rates and delivering to the affected telephone company a statement in writing of its reasons for the suspension at any time before the rates become effective. The suspension shall not be for a longer period than ten months beyond the initial filing date *except as provided in paragraph (b)*. During the suspension the commission shall determine whether all questions of the reasonableness of the rates requested raised by persons deemed interested or by the administrative division of the department of public service can be resolved to the satisfaction of the commission. If the commission finds that all significant issues raised have not been resolved to its satisfaction, or upon petition by ten percent of the affected customers or 250 affected customers, whichever is less, it shall refer the matter to the office of administrative hearings with instructions for a public hearing as a contested case pursuant to chapter 14, except as otherwise provided in this

section. The commission may order that the issues presented by the proposed rate changes be bifurcated into two separate hearings as follows: (1) determination of the telephone company's revenue requirements and (2) determination of the rate design. Upon issuance of both administrative law judge reports, the issues shall again be joined for consideration and final determination by the commission. All prehearing discovery activities of state agency intervenors shall be consolidated and conducted by the department of public service. If the commission does not make a final determination concerning a schedule of rates within ten months after the initial filing date, the schedule shall be deemed to have been approved by the commission; except if a settlement has been submitted to and rejected by the commission, the schedule is deemed to have been approved 12 months after the initial filing.

(b) If the commission finds that it has insufficient time during the suspension period to make a final determination of a case involving changes in general rates because of the need to make final determinations of other previously filed cases involving changes in general rates under this section or section 216B.16, the commission may extend the suspension period to the extent necessary to allow itself 20 working days to make the final determination after it has made final determinations in the previously filed cases. An extension of the suspension period under this paragraph does not alter the setting of interim rates under subdivision 3.

(c) For the purposes of this section, "final determination" means the initial decision of the commission and not any order which may be entered by the commission in response to a petition for rehearing or other further relief. The commission may further suspend rates until it determines all those petitions.

Sec. 5. Minnesota Statutes 1986, section 237.075, subdivision 3, is amended to read:

Subd. 3. [INTERIM RATES.] Notwithstanding any order of suspension of a proposed increase in rates, the commission shall order an interim rate schedule into effect not later than 60 days after the initial filing date. The commission shall order the interim rate schedule ex parte without a public hearing. Notwithstanding the provisions of sections 216.25 and 237.25, no interim rate schedule ordered by the commission pursuant to this subdivision shall be subject to an application for a rehearing or an appeal to a court until the commission has rendered its final determination. Unless the commission finds that exigent circumstances exist, the interim rate schedule shall be calculated using the proposed test year cost of capital, rate base, and expenses, except that it shall include: (1) a rate of return on common equity for the company equal to that authorized by the commission in the company's most recent rate proceeding; (2) rate base or expense items the same in nature and kind as those allowed by a currently effective order of the commission in the company's most recent rate proceeding; and (3) no change in the existing rate design, except for products and services offered by nonregulated competitors. In the case of a company which has not been subject to a prior commission determination or has not had a general rate adjustment in the preceding three years, the commission shall base the interim rate schedule on its most recent determination concerning a similar company.

If, at the time of its final determination, the commission finds that the interim rates are in excess of the rates in the final determination, the

commission shall order the company to refund the excess amount collected under the interim rate schedule, including interest on it which shall be at the rate of interest determined by the commission. The company shall commence distribution of the refund to its customers within 120 days of the final order, not subject to rehearing or appeal. If, at the time of its final determination, the commission finds that the interim rates are less than the rates in the final determination, the commission shall prescribe a method by which the company will recover the difference in revenues from the date of the final determination to the date the new rate schedules are put into effect.

If the telephone company fails to make refunds within the period of time prescribed by the commission, the commission shall sue therefor and may recover on behalf of all persons entitled to a refund. In addition to the amount of the refund and interest due, the commission shall be entitled to recover reasonable attorney's fees, court costs and estimated cost of administering the distribution of the refund to persons entitled thereto. No suit under this subdivision shall be maintained unless instituted within two years after the end of the period of time prescribed by the commission for repayment of refunds. The commission shall not order an interim rate schedule *in a general rate case* into effect as provided by this subdivision until at least four months after it has made a final determination concerning any previously filed change of the rate schedule or the change has otherwise become effective under subdivision 2, unless it:

(1) *the commission finds that a four month delay would unreasonably burden the company, its customers, or its shareholders and that an earlier imposition of interim rates is therefore necessary; or*

(2) *the company files a second general rate case at least 12 months after it has filed a previous general rate case for which the commission has extended the suspension period under subdivision 2.*

Sec. 6. [EFFECTIVE DATE.]

Sections 1 to 5 are effective the day following final enactment and apply only to general rate cases filed on or after that date."

Delete the title and insert:

"A bill for an act relating to utilities; improving the administration of the public utilities commission and the department of public service; encouraging settlements of gas and electric rate cases; authorizing the commission to extend the time period for considering rate cases under certain circumstances; providing for the imposition of interim rates in subsequent rate cases when the commission extends the time period for considering a rate case; amending Minnesota Statutes 1986, sections 216B.16, subdivisions 1a, 2, and 3; and 237.075, subdivisions 2 and 3."

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

REPORT OF VOTE IN COMMITTEE

Pursuant to Rule 60, upon the request of three members, a roll call was taken on the Jude amendment to S.F. No. 1751.

There were yeas 6 and nays 5, as follows:

Those who voted in the affirmative were:

Messrs. Frank; Gustafson; Johnson, D.E.; Jude; Ms. Olson and Mr. Storm.

Those who voted in the negative were:

Messrs. Dicklich; Marty; Johnson, D.J.; Novak and Ms. Piper.

The amendment was adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 1663: A bill for an act relating to health; allowing certified nurse-midwives to prescribe and administer certain drugs; amending Minnesota Statutes 1986, sections 148.171; and 151.01, subdivision 23.

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

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1986, section 148.171, is amended to read:

148.171 [DEFINITIONS.]

As used in sections 148.171 to 148.285:

(1) The term “Board” shall mean Minnesota board of nursing.

(2) The term “Registered Nurse” abbreviated R.N., shall mean a natural person licensed by the Minnesota board of nursing to practice professional nursing.

(3) The practice of professional nursing means the performance for compensation or personal profit of the professional interpersonal service of: (a) providing a nursing assessment of the actual or potential health needs of individuals, families, or communities; (b) providing nursing care supportive to or restorative of life by functions such as skilled ministrations of nursing care, supervising and teaching nursing personnel, health teaching and counseling, case finding and referral to other health resources; and (c) evaluating these actions.

The practice of professional nursing includes both independent nursing functions and delegated medical functions which may be performed in collaboration with other health team members, or may be delegated by the professional nurse to other nursing personnel. Independent nursing function may also be performed autonomously. The practice of professional nursing requires that level of special education, knowledge, and skill ordinarily expected of an individual who has completed an approved professional nursing education program as described in section 148.211, subdivision 1. *A registered nurse who has graduated from a program of study designed to prepare registered nurses for advanced practice as nurse-midwives and who is certified through the national professional nursing organization for nurse-midwives may prescribe and administer drugs and therapeutic devices within practice as a nurse-midwife.*

Sec. 2. Minnesota Statutes 1986, section 151.37, subdivision 2, is amended to read:

Subd. 2. A licensed practitioner in the course of professional practice only, may prescribe, administer, and dispense a legend drug, or may cause the same to be administered by a nurse or intern under the practitioner's

direction and supervision, *and may cause a person who is an appropriately certified and licensed health care professional to prescribe and administer the same within the expressed legal scope of the person's practice as defined in Minnesota Statutes.*

Sec. 3. Minnesota Statutes 1986, section 152.12, subdivision 1, is amended to read:

Subdivision 1. A licensed doctor of medicine, a doctor of osteopathy, duly licensed to practice medicine, a doctor of dental surgery, or a doctor of dental medicine, or a licensed doctor of podiatry, and in the course of professional practice only, may prescribe, administer, and dispense a controlled substance included in Schedules II through V of section 152.02, ~~or~~ may cause the same to be administered by a nurse, an intern or an assistant under the direction and supervision of the doctor, *and may cause a person who is an appropriately certified and licensed health care professional to prescribe and administer the same within the expressed legal scope of the person's practice as defined in Minnesota Statutes.*

Sec. 4. [EFFECTIVE DATE.]

Sections 1 to 3 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to nurse-midwives; allowing a certified nurse-midwife to prescribe and administer drugs and therapeutic devices; allowing an appropriately certified and licensed health care professional to prescribe legend drugs and controlled substances; amending Minnesota Statutes 1986, sections 148.171; 151.37, subdivision 2; and 152.12, subdivision 1."

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

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 1680: A bill for an act relating to human services; prohibiting reduction of benefits to persons receiving ERISA services; requiring HMO subscriber contracts and plans of health coverage that provide dependent coverage to cover dependents not residing with the covered employee; providing a time period within which the state agency may file and enforce a lien; providing that certain items must not be included as cash or liquid assets in determining medical assistance eligibility; providing that certain aliens are eligible to receive medical assistance; modifying eligibility criteria for supplemental aid recipients and applicants; amending Minnesota Statutes 1986, sections 62E.04, by adding subdivisions; 256B.14, subdivision 2; 256D.35, by adding a subdivision; and 256D.37, subdivision 2, and by adding subdivisions; Minnesota Statutes 1987 Supplement, sections 256.015, subdivision 2; 256.936; 256B.031, subdivision 5; 256B.042, subdivision 2; 256B.06, subdivisions 1 and 4; and 256D.37, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 62D.

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

Page 1, after line 24, insert:

"Section 1. [62A.047] [DEPENDENT COVERAGE.]

A policy of accident or sickness which covers an employee who is a Minnesota resident must, if it provides dependent coverage, allow dependent children who do not reside with the covered employee to be covered on the same basis as if they reside with the covered employee. Neither the amount of support provided by the employee to the dependent child nor the residency of the child can be used as an excluding or limiting factor for coverage or payment for any health care.

Sec. 2. [62C.143] [DEPENDENT COVERAGE.]

A subscriber contract of a nonprofit health service plan corporation which covers an employee who is a Minnesota resident must, if it provides dependent coverage, allow dependent children who do not reside with the covered employee to be covered on the same basis as if they reside with the covered employee. Neither the amount of support provided by the employee to the dependent child nor the residency of the child can be used as an excluding or limiting factor for coverage or payment for any health care."

Page 1, line 32, after the period, insert "*Coverage under this section shall apply only if the dependent child resides within the service area of the health maintenance organization and if the dependent child is a birth or legally adopted child.*"

Page 2, line 12, delete "*including, but not limited to, any plan*"

Page 2, line 16, after "*children*" insert "*who are eligible for or receiving benefits under chapter 256B and*"

Page 3, line 3, reinstate the stricken language

Page 3, delete line 4 and insert "*the date notice is received by it under subdivision 4, paragraph (c), or one year from the date medical bills are first paid by the state agency, whichever is later, to file its*"

Page 3, line 5, reinstate the stricken language and delete the new language

Page 3, line 6, delete the new language

Page 3, line 17, delete "*from*" and insert "*who are*" and delete "*up to six*" and insert "*or older but less than eleven*"

Page 3, line 24, after the stricken period, insert "*The period of eligibility extends from the first day of the month in which the child's first birthday occurs to the last day of the month in which the child becomes 11 years old.*"

Page 4, line 20, after "*program*" insert "*and about other medical care programs administered or supervised by the department of human services*"

Page 4, line 21, strike "*the plan*" and insert "*medical programs*"

Page 6, line 22, strike everything after "*(c)*"

Page 6, line 23, strike "*choose a prepaid health plan by January 15, 1988.*"

Page 7, line 35, reinstate the stricken language

Page 7, delete line 36 and insert "*it under subdivision 4, paragraph (c), or one year from the date medical bills are first paid by the state agency, whichever is later, to file its verified lien statement. The*"

Page 8, line 1, reinstate the stricken language and delete the new language

Page 9, line 1, delete the new language and insert “; *the methodology for*”

Page 9, line 2, after “*income*” insert “*must be as*”

Page 14, after line 25, insert:

“Sec. 12. Minnesota Statutes 1986, section 256B.08, is amended to read:
256B.08 [APPLICATION.]

Subdivision 1. [APPLICATION PROCESS.] An applicant for medical assistance hereunder, or a person acting in the applicant's behalf, shall file an application with a county local agency in such the manner and form as shall be prescribed by the state agency. When a married applicant resides in a nursing home or applies for medical assistance for nursing home services, the county local agency shall consider an application on behalf of the applicant's spouse only upon specific request of the applicant or upon specific request of the spouse and separate filing of an application.

Subd. 2. [EXPEDITED REVIEW FOR PREGNANT WOMEN.] A pregnant woman who may be eligible for assistance under section 256B.06, subdivision 1, must receive an appointment for eligibility determination no later than five working days from the date of her request for assistance from the local agency. The local agency shall expedite processing her application for assistance and shall make a determination of eligibility on a completed application no later than ten working days following the applicant's initial appointment. The local agency shall assist the applicant to provide all necessary information and documentation in order to process the application within the time period required under this subdivision. The state agency shall provide for the placement of applications for medical assistance in eligible provider offices, community health offices, and women, infants and children (WIC) program sites.

Sec. 13. Minnesota Statutes 1987 Supplement, section 256B.091, subdivision 4, is amended to read:

Subd. 4. [SCREENING OF PERSONS.] Prior to nursing home or boarding care home admission, screening teams shall assess the needs of all applicants, except (1) patients transferred from other certified nursing homes or boarding care homes; (2) patients who, having entered acute care facilities from nursing homes or boarding care homes, are returning to a nursing home or boarding care home; (3) persons entering a facility described in section 256B.431, subdivision 4, paragraph (c); (4) individuals not eligible for medical assistance whose length of stay is expected to be 30 days or less based on a physician's certification, if the facility notifies the screening team upon admission and provides an update to the screening team on the 30th day after admission; (5) individuals who have a contractual right to have their nursing home care paid for indefinitely by the veteran's administration; or (6) persons entering a facility conducted by and for the adherents of a recognized church or religious denomination for the purpose of providing care and services for those who depend upon spiritual means, through prayer alone, for healing. The cost for screening applicants who are receiving medical assistance must be paid by the medical assistance program. The total screening cost for each county for applicants who are not eligible for medical assistance and residents of nursing homes who request a screening must be paid monthly by nursing homes and boarding care homes participating in the medical assistance program in the county. The monthly amount to be paid by each nursing home and boarding care

home must be determined by dividing the county's estimate of the total annual cost of screenings allowed by the commissioner in the county for the following rate year by 12 to determine the monthly cost estimate and allocating the monthly cost estimate to each nursing home and boarding care home based on the number of licensed beds in the nursing home or boarding care home. The monthly cost estimate for each nursing home or boarding care home must be submitted to the nursing home or boarding care home and the state by the county no later than February 15 of each year for inclusion in the nursing home's or boarding care home's payment rate on the following rate year. The commissioner shall include the reported annual estimated cost of screenings for each nursing home or boarding care home as an operating cost of that nursing home in accordance with section 256B.431, subdivision 2b, clause (g). For all individuals regardless of payment source, if delay-of-screening timelines are not met because a county is late in screening an individual who meets the delay-of-screening criteria, the county is solely responsible for paying the cost of the preadmission screening. Notwithstanding section 256B.0641, overpayments attributable to payment of the screening costs under the medical assistance program may not be recovered from a facility. *Any other interested person may be screened under this subdivision if the person pays a fee for the screening based upon a sliding fee scale determined by the commissioner.*"

Page 15, after line 33, insert:

"Sec. 15. Minnesota Statutes 1986, section 256B.69, subdivision 3, is amended to read:

Subd. 3. [GEOGRAPHIC AREA.] The commissioner shall designate the geographic areas in which eligible individuals may be included in the demonstration project. The geographic areas ~~shall~~ *may* include one urban, one suburban, and ~~at least~~ one rural county. In order to encourage the participation of long-term care providers, the project area may be expanded beyond the designated counties for eligible individuals over age 65.

Sec. 16. Minnesota Statutes 1986, section 256B.69, subdivision 4, is amended to read:

Subd. 4. [LIMITATION OF CHOICE.] The commissioner shall develop criteria to determine when limitation of choice may be implemented in the experimental counties. The criteria shall ensure that all eligible individuals in the county have continuing access to the full range of medical assistance services as specified in subdivision 6. *The commissioner shall exempt the following persons from participation in the project, in addition to those who do not meet the criteria for limitation of choice: (1) persons eligible for medical assistance according to section 256B.06, subdivision 1, clauses (1) and (2); and (2) persons eligible for medical assistance due to blindness or disability as determined by the social security administration or the state medical review team, unless they are 65 years of age or older.* Before limitation of choice is implemented, eligible individuals shall be notified and after notification, shall be allowed to choose only among demonstration providers. After initially choosing a provider, the recipient is allowed to change that choice only at specified times as allowed by the commissioner.

Sec. 17. Minnesota Statutes 1987 Supplement, section 256D.03, subdivision 3, is amended to read:

Subd. 3. [GENERAL ASSISTANCE MEDICAL CARE; ELIGIBILITY.] General assistance medical care may be paid for any person:

(1) who is eligible for assistance under section 256D.05 or 256D.051 and is not eligible for medical assistance under chapter 256B; or

(2) who is a resident of Minnesota; whose income as calculated under chapter 256B is not in excess of the medical assistance standards or whose excess income is spent down pursuant to chapter 256B; and whose equity in resources is not in excess of \$1,000 per assistance unit. Exempt real and liquid assets, the reduction of excess assets, and the waiver of excess assets must conform to the medical assistance program in chapter 256B.

Eligibility is available for the month of application and for three months prior to application if the person was eligible in those prior months. A redetermination of eligibility must occur every 12 months.

General assistance medical care is not available for applicants or recipients who do not cooperate with the local agency to meet the requirements of medical assistance."

Page 22, line 3, before "Section" insert:

(a) Sections 1, 2, 3, and 5 apply to a policy, plan, or contract issued or renewed on or after the date following final enactment.

(b)"

Page 22, lines 3 and 7, delete "2" and insert "4"

Page 22, after line 12, insert:

"(c) The changes in section 10, clauses (6) and (13), and sections 17 to 29 are effective January 1, 1989."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 10, after the semicolon, insert "providing for expedited review of medical assistance applications submitted by pregnant women; changing requirements for the medicaid demonstration project; requiring general assistance medical care applicants and recipients to cooperate with local agency efforts to help them qualify for medical assistance;"

Page 1, line 12, after the semicolon, insert "requiring nursing and boarding care homes to pay screening costs monthly for residents and applicants for residence; allowing other persons to request screening and pay screening costs on a sliding fee scale;"

Page 1, line 15, after the first semicolon, insert "256B.08;"

Page 1, line 15, after the second semicolon, insert "256B.69, subdivisions 3 and 4;"

Page 1, line 20, after the semicolon, insert "256B.091, subdivision 4; 256D.03, subdivision 3;"

Page 1, line 22, delete "chapter" and insert "chapters 62A; 62C; and"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 1772: A bill for an act relating to North Suburban Hospital District; authorizing renovation and use of the Fridley Assembly of God Church property for health or social services.

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

Page 1, line 11, delete "*Moundsvew*" and insert "*Mounds View*"

Page 1, line 23, delete "*following final enactment*" and insert "*after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the hospital board of the North Suburban Hospital District.*"

Page 1, delete lines 24 and 25

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

Mr. Pehler from the Committee on Education, to which was referred

S.F. No. 1228: A bill for an act relating to education; allowing the student council member of the higher education coordinating board to vote; amending Minnesota Statutes 1986, section 136A.02, subdivision 1.

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

Page 1, after line 23, insert:

"Sec. 2. Minnesota Statutes 1986, section 136A.02, subdivision 1a, is amended to read:

Subd. 1a. The term of each ~~voting~~ board member, *except the student member*, shall be six years. *The term of the student member shall be the same as the term of the chair of the student advisory council.* As nearly as possible, one-sixth of the terms of the ~~voting~~ board members shall expire each year. The compensation, removal of ~~voting~~ members, and filling of vacancies among ~~voting~~ members on the board shall be as provided in section 15.0575, subdivisions 3, 4, and 5.

Sec. 3. Minnesota Statutes 1986, section 136A.02, subdivision 7, is amended to read:

Subd. 7. [STUDENT ADVISORY COUNCIL.] A student advisory council to the board is established. The members of the council shall include the chair of the University of Minnesota university student senate, the state chair of the Minnesota state university student association, the president of the Minnesota community college student association, the president of the Minnesota vocational technical student association, the president of the Minnesota association of private college students, and a student who is enrolled in a private vocational school registered under this chapter, to be appointed by the Minnesota association of private post-secondary schools. A member may be represented by a designee.

The advisory council shall:

(1) bring to the attention of the board any matter that the council believes needs the attention of the board,

(2) make recommendations to the board as the council deems appropriate,
 (3) review and comment upon proposals and other matters before the board,

(4) provide any reasonable assistance to the board, and

(5) select one of its members to serve as chair and as a ~~nonvoting~~ member of the board. The board shall inform the council of all matters under consideration by the board and shall refer all proposals to the council before the board acts or sends the proposals to the governor or the legislature. The board shall provide time for a report from the advisory council at each meeting of the board.

The student advisory council shall report to the board quarterly and at other times that the council considers desirable. The council shall determine its meeting time, but the council shall also meet with the executive director of the board within 30 days after the director's request for a council meeting. The student advisory council shall meet quarterly with the higher education advisory council and the board executive committee."

Amend the title as follows:

Page 1, line 5, delete "subdivision" and insert "subdivisions" and after "1" insert ", 1a, and 7"

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

Mr. Pehler from the Committee on Education, to which was referred

S.F. No. 1705: A bill for an act relating to education; creating a task force on child care in higher education.

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

Page 1, line 9, after "*education*" insert "*in relation to existing child care programs*"

Page 1, line 22, delete "*chair*" and insert "*members*" and delete everything after "*force*" and insert "*shall elect the chair.*"

Page 1, delete lines 23 and 24

Page 2, line 1, delete everything before the first "*of*" and insert "*One representative*"

Page 2, line 3, delete "*coodinating*" and insert "*coordinating*"

Page 2, line 5, delete "*service*" and insert "*senate*"

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

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

S.F. No. 1980: A bill for an act relating to motor vehicles; removing restrictions regarding restricted gasoline fill pipes; amending Minnesota Statutes 1986, section 325E.0951.

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

Page 1, line 17, delete everything after the first comma and insert "*and includes an automobile, truck, or bus*"

Page 1, line 18, delete the new language

Page 2, line 19, delete "*Subd. 5.*" and insert "*Sec. 2.*" and delete "*This section*" and insert:

"*Section 1*"

Page 2, line 21, delete "*this*" and insert "*that*"

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

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

S.F. No. 1783: A bill for an act relating to motor vehicles; requiring mandatory annual inspection of motor vehicle emission control equipment on vehicles registered in the metropolitan area; prescribing powers and duties of the pollution control agency and the department of public safety; imposing fees for inspection; prescribing penalties; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116.

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

Delete everything after the enacting clause and insert:

"Section 1. [116.60] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] *The definitions in this section apply to sections 1 to 6.*

Subd. 2. [AGENCY.] *"Agency" means the pollution control agency.*

Subd. 3. [CERTIFICATE OF COMPLIANCE.] *"Certificate of compliance" means a serially numbered written instrument or device indicating that a motor vehicle complies with the standards and criteria adopted by the agency under section 3.*

Subd. 4. [CERTIFICATE OF WAIVER.] *"Certificate of waiver" means a serially numbered written instrument or device indicating that the requirement of compliance with the standards and criteria of the agency has been waived for a motor vehicle under section 3.*

Subd. 5. [DEPARTMENT.] *"Department" means the department of public safety.*

Subd. 6. [METROPOLITAN AREA.] *"Metropolitan area" has the meaning given in section 473.121.*

Subd. 7. [MOTOR VEHICLE.] *"Motor vehicle" means a passenger automobile, station wagon, pickup truck, or van, as defined in section 168.011, licensed for use on the public streets and highways.*

Subd. 8. [PUBLIC INSPECTION STATION.] *"Public inspection station" means a facility for motor vehicle inspection operated under contract with the agency under section 3.*

Subd. 9. [FLEET INSPECTION STATION.] *"Fleet inspection station" means a facility for the inspection of motor vehicle fleets operated under license issued by the agency under section 3.*

Subd. 10. [OWNER.] "Owner" has the meaning given it in section 168.011.

Subd. 11. [REGISTRAR.] "Registrar" means the registrar of motor vehicles under chapter 168.

Sec. 2. [116.61] [INSPECTION REQUIRED.]

Subdivision 1. [REQUIREMENT.] (a) Beginning no later than July 1, 1990, each motor vehicle registered to an owner who resides in the metropolitan area, and each motor vehicle customarily domiciled in the metropolitan area but exempt from registration under section 168.012 or section 473.448, must be inspected annually for air pollution emissions as provided in sections 1 to 6.

(b) The inspections must take place at a public or fleet inspection station. The inspections must take place within 90 days prior to the registration deadline for the vehicle or, for vehicles that are exempt from license fees under section 168.012 or section 473.448, at a time set by the agency.

(c) A motor vehicle subject to paragraph (a) may not be registered unless the vehicle has been inspected for air pollution emissions as provided in sections 1 to 6 and received a certificate of compliance or a certificate of waiver.

Subd. 2. [EXEMPT VEHICLES.] The following motor vehicles are exempt from the requirements of this section:

(1) a motor vehicle manufactured before the 1976 model year;

(2) a motor vehicle registered as classic, pioneer, collector, or street rod under section 168.10;

(3) a motor vehicle being registered in Minnesota for the first time since its manufacture; and

(4) any class of motor vehicle that is exempted by rule of the agency because the vehicles present prohibitive inspection problems or are inappropriate for inspection.

Sec. 3. [116.62] [MOTOR VEHICLE INSPECTION PROGRAM.]

Subdivision 1. [ESTABLISHMENT.] The agency shall establish and administer a program to test and inspect for air pollution emissions the motor vehicles that are subject to the requirement of section 2.

Subd. 2. [CRITERIA AND STANDARDS.] (a) The agency shall adopt rules under chapter 14 establishing standards and criteria to govern the testing and inspection of motor vehicles for air pollution emissions.

(b) The rules must specify maximum pollutant emission levels for motor vehicles, giving consideration to the levels of emissions necessary to achieve applicable federal and state air quality standards. The standards may be different for different model years, sizes, and types of motor vehicles.

(c) The rules must establish testing procedures and standards for test equipment used for the inspection. The test procedures or procedures producing comparable results must be available to the automobile pollution equipment repair industry. The test equipment used for the inspection or comparable equipment must be available to the repair industry on the open market.

(d) The rules must establish standards and procedures for the issuance

of licenses for fleet inspection stations.

(e) The rules must establish standards and procedures for the issuance of certificates of compliance and waiver.

Subd. 3. [PUBLIC INSPECTION STATIONS; CONTRACT.] (a) The program shall provide for the inspection of motor vehicles at public inspection stations. The number and location of the stations must provide convenient public access.

(b) The agency shall contract with a private entity for the design, construction, equipment, establishment, maintenance, and operation of the public inspection stations and the provision of related services and functions. The contractor and its officers and employees may not be engaged in the business of selling, maintaining, or repairing motor vehicles or selling motor vehicle replacement or repair parts, except that the contractor may repair any motor vehicle owned or operated by the contractor. The contractor's employees are not employees of the state for any purpose. Contracts must require the contractor to operate the public inspection stations for a minimum of five years and may provide for equitable compensation, from the vehicle emission inspection account established by section 6, for capital costs and other appropriate expenditures to the contractor, as determined by the agency.

(c) A public inspection station shall inspect and reinspect motor vehicles in accordance with the agency rules and contract. The inspection station shall issue a certificate of compliance for a motor vehicle that has been inspected and determined to comply with the standards and criteria of the agency adopted under this section. If a certificate of compliance cannot be issued, the inspection station shall provide a written inspection report describing the reasons for rejection and, when appropriate, the repairs needed or likely to be needed to bring the vehicle into compliance with the standards and criteria.

Subd. 4. [FLEET INSPECTION STATIONS; LICENSE.] (a) The program shall provide for the licensing of fleet inspection stations by the agency. The license must be issued by the agency, upon payment of a licensing fee in a manner and an amount prescribed by the agency, when the agency determines that an applicant satisfies the requirements of this section and agency rules.

(b) An owner of a fleet of 50 or more motor vehicles may apply for a fleet inspection station license. Two or more persons each owning 25 or more motor vehicles may apply jointly for a fleet inspection station license.

(c) A licensee shall have the facilities, equipment, and personnel to competently perform the inspections required by sections 1 to 6 and the rules of the agency. A licensee shall provide for the inspection of each fleet vehicle in accordance with the requirements of section 2 and before registration of the vehicle shall indicate in a manner prescribed by the agency whether the vehicle complies with the emission standards of the agency.

(d) A fleet inspection station license authorizes and obligates the licensee to perform inspections only on motor vehicles owned or operated exclusively by the fleet licensee.

(e) A licensee shall maintain records of all inspections in a manner

prescribed by the agency and shall make the records available for inspection by authorized representatives of the agency during normal business hours.

(f) To ensure compliance, the agency may require fleet licensees to submit motor vehicles designated by the agency numbering five percent or five motor vehicles, whichever is larger, but no more than 25 vehicles, to annual inspection at public inspection stations.

Subd. 5. [CERTIFICATES OF WAIVER.] (a) A certificate of waiver, valid for one year, must be issued for a motor vehicle following inspection if:

(1) a low emissions adjustment has been performed on the vehicle within 90 days prior to the renewal of registration; and

(2) the repair cost limit is exceeded by either the estimated cost of repairs and adjustments necessary to bring the vehicle into compliance with emissions standards, or by the actual cost of repairs already performed on a vehicle in accordance with the inspection report under subdivision 3.

(b) The following costs may not be considered in determining eligibility for waiver under paragraph (a): costs covered by warranty and costs necessary to repair or replace any emission control equipment that has been removed, dismantled, tampered with, misfueled, or otherwise rendered inoperative in violation of section 325E.0951.

(c) The repair cost limit is \$75 for vehicles manufactured before the 1981 model year, and \$200 for vehicles manufactured in the 1981 model year and after.

(d) A temporary certificate of waiver, valid for not more than 30 days, may be issued for a vehicle to allow time for inspection and necessary repairs and adjustments.

Subd. 6. [FEDERAL GRANTS.] The agency shall apply for and accept on behalf of the state any funds made available by the federal government or by any other sources for motor vehicle pollution control programs.

Subd. 7. [STUDIES; DATA COLLECTIONS.] The agency shall collect data and undertake studies necessary to evaluate the cost, effectiveness, and benefits of the motor vehicle inspection program. The agency shall compile data on failure rate, compliance rate, the number of certificates issued and other similar matters. The agency shall report on the operation of the motor vehicle inspection program to the legislature by January 1, 1992, and every two years thereafter.

Subd. 8. [PUBLIC INFORMATION.] The agency shall design, prepare, and implement a public information program for the motor vehicle inspection program, in cooperation with the department and the contractor under subdivision 3. The program must include material for distribution, presentations, mass media releases, and other appropriate material.

Sec. 4. [116.63] [PROHIBITED ACTS.]

Subdivision 1. [WRONGFUL CERTIFICATION.] A person may not issue a certificate of compliance for a motor vehicle unless it has been inspected in accordance with, and is in compliance with, the rules of the agency under section 3.

Subd. 2. [REFERRAL FOR PARTS OR REPAIR.] An employee, owner,

or operator of a public inspection station may not furnish information, other than information provided by the state, about the name or other description of a parts or repair facility or other place where parts, repairs, or adjustments may be obtained to bring a motor vehicle into compliance with the rules of the agency under section 3.

Subd. 3. [ALTERATION.] A person may not materially alter or change any equipment or mechanism of a motor vehicle that has been certified to comply with the rules of the agency, so that the motor vehicle is no longer in compliance with those rules.

Subd. 4. [FALSE REPAIR COSTS.] A person may not provide false information to a public inspection station or the agency about estimated or actual repair costs or repairs needed to bring a motor vehicle into compliance with the standards of the agency. A person may not claim an amount spent for repair unless the repairs were made and the amount spent.

Subd. 5. [ENFORCEMENT.] A violation of this section is a misdemeanor and may be enforced only under section 115.071, subdivision 2.

Sec. 5. [116.64] [INSPECTION FEE.]

A fee of not more than \$10, as determined by a rule of the agency, must be paid for each motor vehicle inspected at a public inspection station, including a motor vehicle that is exempt from license fees under section 168.012 or section 473.448. The fee must be paid to the public inspection station at the time that the motor vehicle is inspected.

Sec. 6. [116.65] [VEHICLE EMISSION INSPECTION ACCOUNT.]

Revenue from the following sources must be deposited in a vehicle emission inspection account in the state treasury:

(1) money received by the agency in the form of gifts, grants, reimbursements, or appropriations from any source intended to be used for the purpose of the vehicle emission inspection account;

(2) fleet inspection station licensing fees;

(3) interest attributable to investment of money deposited in the vehicle emission inspection account; and

(4) the proceeds of the inspection fee.

Sec. 7. Minnesota Statutes 1986, section 296.16, is amended by adding a subdivision to read:

Subd. 1a. [MINIMUM OXYGEN CONTENT.] Unleaded gasoline with an octane rating of 90 or less may not be sold in the metropolitan area, as defined in section 473.121, for use in motor vehicles unless it is a gasoline blend consisting of 3.5 oxygen content by weight.

Sec. 8. [RECOMMENDATION OF AN OXYGENATED FUEL.]

By January 1, 1989, the commissioners of the departments of agriculture, transportation, and public service, and the pollution control agency shall recommend to the legislature a specific oxygenated fuel and a formula for combining that fuel with gasoline, to meet the requirement imposed by section 7. In selecting the recommended fuel, the following must be considered:

(1) the goals of improving air quality in Minnesota and meeting federal air quality standards;

(2) *the impact of federal legislation imposing a requirement that gasoline be blended with oxygenated fuel;*

(3) *the possibility of a reduced need for an inspection and maintenance program;*

(4) *the effect on engine use and wear of the various oxygenated fuels, and the impact of their use on the warranties of motor vehicles, and other gasoline-powered internal combustion engines;*

(5) *the energy efficiency of the various fuels;*

(6) *the physical feasibility of blending the fuels with gasoline;*

(7) *the current and potential availability of each oxygenated fuel from sources in Minnesota;*

(8) *the effect on the highway users distribution fund; and*

(9) *other relevant matters.*

Sec. 9. [REPAYMENT.]

Money in the vehicle emission inspection account is appropriated to the pollution control agency to pay the cost of inspecting a motor vehicle at a public inspection station and any reinspections allowed by the rules of the agency, the cost of the contract under section 3, subdivision 3, and the administrative costs of the agency and the department of public safety. By the end of the initial contract under section 3, subdivision 3, the amounts appropriated from the motor vehicle transfer fund to the vehicle emission inspection account must be repaid to the transfer fund, and the amounts necessary for this repayment are appropriated from the vehicle emission inspection account.

Sec. 10. [APPROPRIATION.]

\$. . . . is appropriated to the pollution control agency from the motor vehicle transfer fund for transfer to the vehicle emission inspection account.

Sec. 11. [APPROVED COMPLEMENT.]

The approved complement of the pollution control agency is increased by classified positions. The positions approved by this section must be paid from the vehicle emission inspection account.

Sec. 12. [EFFECTIVE DATE.]

Sections 1, 3, 4, 5, 6, and 8 are effective the day following final enactment. Sections 2 and 7 are effective January 1, 1990. Sections 9, 10, and 11 are effective July 1, 1988."

Delete the title and insert:

"A bill for an act relating to motor vehicles; requiring mandatory annual inspection of motor vehicle emission control equipment on vehicles registered in the metropolitan area; prescribing powers and duties of the pollution control agency and the department of public safety; imposing fees for inspection; prescribing penalties; requiring that gasoline sold in the metropolitan area for use in motor vehicles must contain oxygenated fuel; requiring the commissioners of agriculture, transportation, pollution control agency, and public service to recommend an oxygenated fuel to the legislature; appropriating money; amending Minnesota Statutes 1986, section 296.16, by adding a subdivision; proposing coding for new law in

Minnesota Statutes, chapter 116.”

And when so amended the bill do pass and be re-referred to the Committee on Environment and Natural Resources. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 1918: A bill for an act relating to health; creating an exception to the nursing home moratorium to allow beds to be moved from a separate nursing home to a building formerly used as a hospital; amending Minnesota Statutes 1987 Supplement, section 144A.071, subdivision 3.

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

Page 5, line 24, strike “or”

Page 5, line 29, before the period, insert “; or

(p) to license and certify up to 40 beds transferred from an existing facility owned and operated by the Amherst H. Wilder Foundation in the city of St. Paul to a new unit at the same location as the existing facility that will serve persons with Alzheimer's disease and other related disorders. The transfer of beds may occur gradually or in stages, provided the total number of beds transferred does not exceed 40. At the time of licensure and certification of a bed or beds in the new unit, the commissioner of health shall delicense and decertify the same number of beds in the existing facility. As a condition of receiving a license or certification under this clause, the facility must make a written commitment to the commissioner of human services that it will not seek to receive an increase in its property-related payment rate as a result of the transfers allowed under this clause”

Amend the title as follows:

Page 1, line 2, delete “an exception” and insert “exceptions”

Page 1, line 3, delete everything after “moratorium”

Page 1, delete line 4

Page 1, line 5, delete “a hospital”

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

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 1793: A bill for an act relating to liquor; defining the term “restaurant” for purposes of county liquor licenses; amending Minnesota Statutes 1986, section 340A.101, subdivision 25.

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

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 1692: A bill for an act relating to intoxicating liquor; authorizing extended off-sale hours on the day preceding Thanksgiving day; amending Minnesota Statutes 1986, section 340A.504, subdivision 4.

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

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 1822: A bill for an act relating to liquor; prohibiting certain transactions by brewers and malt liquor wholesalers; amending Minnesota Statutes 1987 Supplement, section 340A.308.

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

Page 1, line 22, delete “, *as adjusted annually under*”

Page 1, line 23, delete the new language

Page 2, line 1, delete “, *as adjusted annually under paragraph (c)*”

Page 2, delete lines 13 to 19

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

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 1667: A bill for an act relating to Becker county; authorizing issuance of one on-sale liquor license on an excursion and dinner boat on Detroit Lake.

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

Page 1, line 8, after “*may*” insert “, *with the approval of the commissioner of public safety,*”

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

Mr. Dicklich from the Committee on Public Utilities and Energy, to which was referred

S.F. No. 2111: A bill for an act relating to public utilities; pipeline safety; authorizing the office of pipeline safety to inspect and regulate intrastate pipeline facilities carrying liquefied natural gas, liquefied petroleum gas, and hazardous liquids; adopting federal safety regulations; providing for the calculation of pipeline inspection fees; appropriating money; amending Minnesota Statutes 1986, sections 299F56, subdivisions 1, 2, 4, 6, and by adding subdivisions; and 299F59; Minnesota Statutes 1987 Supplement, sections 116L.015, subdivision 3; 299F57, subdivision 1, and by adding a subdivision; 299F58; 299F62; 299F63, subdivision 1; 299F64; and 299J.12, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 299F; repealing Minnesota Statutes 1987 Supplement, section 299F63, subdivision 4.

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

Page 3, after line 9, insert:

“Sec. 2. Minnesota Statutes 1987 Supplement, section 216D.01, subdivision 5, is amended to read:

Subd. 5. [EXCAVATION.] "Excavation" means an activity that moves, removes, or otherwise disturbs the soil at a depth of 18 inches or greater by use of a motor, engine, hydraulic or pneumatically-powered tool, or machine-powered equipment of any kind, or by explosives. Excavation does not include:

(1) the repair or installation of agricultural drainage tile for which notice has been given as provided by section 116I.07, subdivision 2;

(2) the extraction of minerals;

(3) the opening of a grave in a cemetery;

(4) normal maintenance of roads and streets if the maintenance does not change the original grade and does not involve the road ditch; or

(5) plowing, cultivating, planting, harvesting, and similar operations in connection with growing crops, landscaping, or gardening, unless any of these activities disturbs the soil to a depth of 18 12 inches or more."

Page 3, line 30, before the period, insert "*distribution systems*"

Page 4, line 12, strike "state fire marshal" and insert "*commissioner*"

Page 4, line 15, strike "Power" and insert "*Energy Regulatory*"

Page 4, line 27, strike "STANARDS" and insert "*STANDARDS*"

Page 5, line 15, strike "Power" and insert "*Energy Regulatory*"

Page 5, line 22, delete "*part*" and insert "*parts 192 and*"

Page 6, lines 2, 6, 9, and 11, delete "18" and insert "19"

Page 7, line 25, delete "18" and insert "19"

Page 7, line 27, delete "3" and insert "4"

Page 7, line 28, delete "*before*" and insert "*after*"

Page 7, line 33, after the period, insert "*Fees collected under this section must be credited to the pipeline safety account.*"

Page 8, lines 2 and 27, delete "18" and insert "19"

Page 8, line 3, delete "*are*" and insert "*will be*"

Page 8, line 18, after "(4)" insert a comma

Page 8, line 24, delete "*following*" and insert "*preceding*"

Page 8, line 26, delete "*attributable*" and insert "*proportionate*"

Page 13, line 2, delete "354" and insert "353"

Page 13, line 8, delete "5" and insert "6"

Page 13, line 12, delete "21" and insert "22"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, after the semicolon, insert "removing the depth limitation for the one call excavation notice system;"

Page 1, line 12, after the semicolon, insert "216D.01, subdivision 5;"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was re-referred

S.F. No. 1930: A bill for an act relating to state and local government; establishing the Minnesota advisory commission on intergovernmental relations; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 15B.

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

Page 1, line 13, delete everything after the first "governor"

Page 1, line 14, delete everything before the semicolon

Page 2, line 22, before the comma, insert "named in this subdivision"

Page 3, delete lines 8 to 15 and insert:

"Subd. 3. [CHAIR.] *The governor, the chair of the senate committee on rules and administration, and the speaker of the house of representatives shall alternate in serving one year terms as chair of the commission.*"

Page 3, line 29, delete "determine" and insert "consider"

Page 4, line 6, delete from "By" to page 4, line 9, "subdivisions."

Page 4, line 22, delete "under chapter 14" and after the period, insert "Commission rules are not governed by chapter 14."

Page 5, delete lines 19 to 23 and insert:

"(b) *The governor shall be the first chair of the commission, serving a term as chair ending on the first Monday in January 1989. The chair of the senate committee on rules and administration shall serve the first term*"

Page 5, after line 29, insert:

"Sec. 8. [REPEALER.]

Sections 1 to 6 are repealed July 1, 1992."

Renumber the sections in sequence

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 1673: A bill for an act relating to the city of St. Cloud; authorizing an on-sale liquor license for the St. Cloud Civic Center.

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

Page 1, delete section 1 and insert:

"Section 1. [SALE OF INTOXICATING LIQUOR AT ST. CLOUD CIVIC CENTER.]

Notwithstanding any law, charter provision or ordinance to the contrary, the city of St. Cloud may:

(1) dispense intoxicating liquor at on-sale at the premises known and used as the St. Cloud Civic Center without a license therefor, or

(2) authorize the holder of a retail intoxicating liquor license issued by the city of St. Cloud or an adjacent city to dispense intoxicating liquor at the premises known and used as the St. Cloud Civic Center, provided that the licensee has been engaged to dispense intoxicating liquor at an event held by the city or by a person or organization permitted to use the premises.

Intoxicating liquor may be dispensed at the St. Cloud Civic Center under this section only to members or guests of a person or organization leasing space in the premises for a convention, banquet, conference, meeting or social event, but not for any elementary, secondary or college athletic event. Authority to dispense intoxicating liquor under this section is in addition to any license authorized by law or ordinance. All provisions of law, charter or ordinance governing the sale and serving of intoxicating liquor not inconsistent with this section shall govern the dispensing of intoxicating liquor under this section."

Delete the title and insert:

"A bill for an act relating to intoxicating liquor; authorizing the dispensing of intoxicating liquor at the St. Cloud Civic Center."

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

Mr. Solon from the Committee on Commerce, to which was re-referred

S.F. No. 1121: A bill for an act relating to motor vehicles; establishing a titling system for salvage and rebuilt motor vehicles; requiring licenses for scrap metal processors, used vehicle parts dealers, and salvage pool operators; amending Minnesota Statutes 1986, sections 168.27, subdivisions 1, 2, 3, 8, 10, 24, and by adding subdivisions; 168.33, subdivision 7; 168A.01, subdivision 2, and by adding subdivisions; and 168A.15; Minnesota Statutes 1987 Supplement, section 168.27, subdivision 16; proposing coding for new law in Minnesota Statutes, chapter 168A.

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

Page 5, lines 3 and 7, after "*displaying*" insert "*, for sale,*"

Page 5, line 3, delete the comma

Page 9, line 24, before "*surrender*" insert "*permanent*"

Page 9, line 25, after "*title*" insert "*and license plates*"

Page 11, line 13, after "*vehicle*" insert "*that is a "class C" or "class D" total loss vehicle,*"

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

Mrs. Lantry from the Committee on General Legislation and Public Gaming, to which was referred

S.F. No. 1765: A bill for an act relating to horse racing; changing the date when the racetrack must submit its financial statement to the racing

commission; allowing the breeders' fund to be used to supplement purses for Minnesota horses racing in nonrestricted races; amending Minnesota Statutes 1986, sections 240.15, subdivision 4; and 240.18.

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

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 1867: A bill for an act relating to consumer protection; regulating cemeteries, mausoleums, and prearranged funeral services; requiring the establishment of a construction fund account; requiring a permanent care account for any mausoleum; providing reporting requirements; broadening the powers of the county auditors and state auditor; amending Minnesota Statutes 1986, sections 149.11; 149.13; 306.03; 306.04; 306.37; 306.761; 306.77; and 306.773, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 306.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 149.11, is amended to read:

149.11 [PREARRANGED FUNERAL PLANS; CONTRACTS; TRUST FUNDS.]

(a) When prior to the death of any person, that person or another enters into any transaction, makes a contract, or any series or combination of transactions or contracts with another person, partnership, association or corporation, other than an insurance company licensed to do business in the state of Minnesota, by the terms of which, certain personal property related to the funeral services or the burial, cremation, or other disposition of human remains will be used upon the death of the person for whom the property is to be used, or when the professional services of a funeral director or embalmer will then be furnished, or both, then the total of all money paid by the terms of the transaction, contract or series or combination of transactions or contracts shall be held in trust for the purpose for which it has been paid until the death of the person for whose benefit the money was paid, or refunded to the person who made the payment or payments, upon demand. Accruals of interest or dividends declared upon the sum of money held in trust are subject to the same trust. The person, partnership, association or corporation holding the money in trust shall inform the person on whose behalf the money is held that all money paid plus all accrued earnings will be held in trust until the death of that person or until a request for a refund is made if made prior to death. *The location of the trust account including the name and address of the institution in which the money is being held and any identifying account numbers, and any subsequent changes in that information must be disclosed in writing to the person on whose behalf the money is being held, at the time the funds are deposited into the trust account and at the time of any subsequent changes in the information.* The personal property shall include but not be limited to a casket, burial vault not interred in a grave, combination casket-vault or other receptacle not described in paragraph (b) for the interment, entombment, cremation, or other disposition of human remains.

(b) Nothing in this section shall prevent the sale and delivery of cemetery lots, graves, burial vaults preinterred in a grave, cremation urns, crypt spaces, niches, columbaria, or grave or lot markers or monuments before their use is required. Nothing in this section prevents the preconstruction sale of crypt spaces to be permanently installed *except that any seller of mausoleum space or columbarium space, selling burial space in a mausoleum or columbarium that is not completely constructed and usable, must comply with section 10.*

(c) It is the intent of the legislature that the provisions of this section shall be construed as a limitation upon the manner in which a person or legal entity is permitted to accept funds in prepayment of funeral services to be performed in the future or in prepayment of funeral or burial goods to be used in connection with the funeral or final disposition of human remains. It is further intended to allow members of the public to arrange and pay for funerals, final dispositions, funeral services, and funeral and burial goods for themselves and their families in advance of need while at the same time providing all possible safeguards so that the prepaid funds cannot be dissipated, whether intentionally or not, so as to be available for the payment of the services and goods selected.

Sec. 2. Minnesota Statutes 1986, section 149.13, is amended to read:
149.13 [REPORTS.]

Subdivision 1. If a banking institution, a savings, building and loan association or a credit union receives money in trust, under section 149.12, it shall report the amount received and held in trust to the probate court of the county wherein the cestui que trust resides, within 30 days thereafter. This report shall show the name and address of each trustee and cestui que trust, the principal amount remaining, and the current interest rate applicable to the account.

Subd. 2. Every funeral establishment which is subject to the trust requirement in section 149.11 and is licensed by the commissioner of health to practice embalming or funeral directing must make a complete annual report to the commissioner of health, disclosing the state of the trust fund including all deposits and withdrawals of principal amounts and all receipts and disbursements. The report shall be filed on forms prescribed by the state auditor by March 31. The report shall be signed and notarized under oath. There shall be paid to the commissioner of health a filing fee of \$15 for each report. The state commissioner of health shall review these reports for indications of violations of this chapter.

Subd. 3. Any person, firm, partnership, association, or corporation which is subject to the trust requirement in section 149.11, but which is not licensed by the commissioner of health to practice embalming or funeral directing, must make a complete written annual report to the county auditor of the county in which the funeral establishment operates. If the funeral establishment is located outside of Minnesota, the report must be filed with the Minnesota county auditor in the county in which the funeral services or personal property is to be delivered. The report must disclose the state of the fund, including all deposits and withdrawals of principal amounts and receipts and disbursements. The report shall be filed on forms prescribed by the state auditor by March 31 for any person, firm, partnership, association, or corporation operating on a calendar year basis and by 90 days after the end of the fiscal year for any person, firm, partnership, association, or corporation operating on a fiscal year basis.

The report shall be signed and notarized under oath. There shall be paid to the county auditor a filing fee of \$15 for each report. The county auditor shall review these reports for indications of violations of this chapter.

Subd. 4. Any person, firm, partnership, association, or corporation subject to subdivision 2 or 3 when changing the trustee must file a notice of change of trustee of the trust fund. If subdivision 2 applies, the trustee change must be filed with the commissioner of health 30 days after the change of trustee. If subdivision 3 applies, the trustee change must be filed with the county auditor 30 days after the change of trustee.

Subd. 5. The county auditor and the commissioner of health must, if they have reason to believe violations of this chapter may exist, report that belief to the state auditor in a timely manner. Every county auditor and the commissioner of health must also file an annual letter by May 31 with the state auditor's office disclosing whether they have detected any indications of violations of this chapter. If the county auditor or commissioner of health has not detected, from the information supplied to them, indications of violations of this chapter, that fact must be reported to the state auditor in the annual letter.

Subd. 6. Upon notification from the county auditor or the commissioner of health of indications of violations of this chapter, the state auditor shall make an independent determination of whether a violation of the provisions in this chapter is occurring, or is about to occur. If the state auditor finds such evidence, the state auditor shall conduct an independent audit of the entity in accordance with generally accepted auditing standards and shall inform the appropriate agency of any finding of misconduct. The person, firm, partnership, association, or corporation audited under this section by the state auditor shall reimburse the state auditor for expenses incurred in conducting the audit within 30 days after the state auditor submits its expenses. Interest at the rate established in section 549.09 shall accrue on the outstanding balance starting on the 31st day after the state auditor's office submits its request for expenses.

Subd. 7. Any person, firm, partnership, association, or corporation required to hold money in trust under section 149.11 must retain records within Minnesota until three years after the death of the person for whose benefit the money was paid or the money is refunded or delivery occurs pursuant to section 149.11. The records must state on whose behalf the money is held, the location of the money, including any identifying numbers, and the name and address of the institution in which the money is held.

Subd. 8. Unless the data is summary data, data on individuals collected and maintained under this section is private data on individuals and shall not be disclosed except: (1) pursuant to court order; or (2) for law enforcement purposes. Individual is defined as in section 13.02, subdivision 8.

Subd. 9. Any person, firm, partnership, association, or corporation knowingly violating the provisions of this section shall be guilty of a misdemeanor and for a second offense shall be guilty of a gross misdemeanor.

Sec. 3. Minnesota Statutes 1986, section 306.03, is amended to read:

306.03 [ACTUARY; RECORDS; REPORTS.]

Every such corporation, including any person, firm, partnership, association, or corporation owning or operating a mausoleum or columbarium,

in addition to its ordinary corporate officers, shall annually appoint an actuary, or provide by its bylaws that its secretary shall perform the duties of such office. The actuary shall keep a register of burials, entering the date of burial, *entombment*, or cremation, the name, age, sex, nativity, and cause of death of every person interred or cremated in such cemetery, so far as such facts can be ascertained from the friends, attending physician, or undertaker in charge, and in case of a pauper, stranger, or criminal, from the public official directing the burial. Such record shall be open to public inspection, and the actuary shall furnish to the state commissioner of health and to local health officers, when so requested, an accurate summary of such record during any specified year.

Sec. 4. Minnesota Statutes 1986, section 306.04, is amended to read:

306.04 [FAILURE TO KEEP REGISTER; FORFEITURE.]

Every actuary, or secretary performing the duties of an actuary, failing to keep such register of burials and to record therein all interments and cremations, for every such offense shall forfeit not less than \$2 nor more than \$10 for the benefit of the school fund of the district in which such cemetery, *mausoleum*, or crematory is situated.

Sec. 5. Minnesota Statutes 1986, section 306.37, is amended to read:

306.37 [CARE AND IMPROVEMENT FUND.]

Subdivision 1. Twenty percent of the proceeds of all sales of cemetery lots and ten percent of the proceeds of all sales of burial space in a *mausoleum or columbarium* made after the vote of the board of trustees of the association to establish said care and improvement fund shall be paid over to such trustee or trustees of the fund, on January 1, April 1, July 1, and October 1, in each year. Until so paid over, the foregoing amounts shall be held in trust by the cemetery association for payment thereof to the trustee or trustees of such fund. "*Proceeds*" includes any installment payment made towards the purchase of a cemetery lot or burial space in a *mausoleum or columbarium*.

Subd. 2. Any other income or funds of the association, in excess of its liabilities, may be added to such fund by a two-thirds vote of the members of its board of trustees. The principal of such fund shall not be subject to any minimum or maximum amount.

Subd. 3. The words "cemetery lots" as used in this section shall not be construed to include burial space in a *mausoleum or columbarium*. The term "burial space" as used herein shall include private rooms, crypts, niches or other designated space in which the bodies or ~~ashes~~ *cremated remains* of deceased persons are placed for permanent burial in a *mausoleum or columbarium*.

Subd. 4. Any person, firm, partnership, association, or corporation knowingly violating the provisions of this section shall be guilty of a misdemeanor and for a second offense shall be guilty of a gross misdemeanor.

Sec. 6. Minnesota Statutes 1986, section 306.761, is amended to read:

306.761 [PERMANENT CARE AND IMPROVEMENT FUNDS; MINIMUM AMOUNTS; REPORTING; PENALTIES.]

Subdivision 1. Any cemetery association which operates a cemetery larger than ten acres shall establish a permanent care and improvement fund and all cemetery associations operating a cemetery larger than ten

acres and having a permanent care and improvement fund shall file annually as part of the report required in subdivision 2 a notice with the county auditor of the county in which the cemetery is situated. The notice shall include the names and addresses of each person or entity owning a five percent or greater interest in the cemetery, and the names and addresses of all officers if any change has taken place since the previous notice. The term "association" as used in this section shall include any person, firm, partnership, association or corporation.

Subd. 2. Any cemetery association which operates a cemetery larger than ten acres and ~~having any person, firm, partnership, association, or corporation owning or operating a mausoleum or columbarium, or constructing or selling space in a mausoleum or columbarium to be built, which has a permanent care and improvement fund shall make a full and complete written annual report to the county auditor of the county in which the cemetery or mausoleum or columbarium or future site of the mausoleum or columbarium is situated on the condition and state of the fund, including all deposits and withdrawals of principal amounts and all receipts and disbursements. The report shall be filed on forms prescribed by the county state auditor by March 31 for any cemetery association operating a cemetery larger than ten acres and operating entity described in this subdivision which operates on a calendar year basis and by 90 days after the end of the fiscal year for any cemetery association operating a cemetery larger than ten acres and operating entity described in this subdivision which operates on a fiscal year basis. The report shall be signed and notarized under oath. There shall be paid to the county auditor a filing fee of \$40 \$15 for each report.~~

Subd. 3. ~~Any person, firm, partnership, association, or corporation holding money in trust under this section shall provide notice to the person purchasing the cemetery lot, or the burial space in a mausoleum or columbarium, at the time of the first payment. The notice shall be in writing, and shall identify the location where the money will be held in trust including any identifying account numbers and the name and address of the institution in which the money is held. Any person, firm, partnership, association, or corporation holding money in trust under this section shall notify the county auditor receiving the annual report if there is a change in the identifying account numbers or location of the fund within seven days of the change.~~

Subd. 4. ~~Any person, firm, partnership, association, or corporation subject to this section must file a notice of change of trustee of any trust funds with the same county auditor who should receive the annual report required by this section within 30 days after the change of trustees.~~

Subd. 5. ~~Any person, firm, partnership, association, or corporation knowingly violating the provisions of this section shall be guilty of a misdemeanor and for a second offense shall be guilty of a gross misdemeanor.~~

Subd. 4 6. ~~This section shall not apply to cemeteries, mausoleums, or columbariums owned and operated by a municipality, church, religious corporation or religious association.~~

Sec. 7. [306.762] [PERMANENT RETENTION OF RECORDS.]

Subdivision 1. Any cemetery association and any person, firm, partnership, association, and corporation owning or operating a mausoleum

or columbarium, or constructing or selling space in a mausoleum or columbarium to be built, required to deposit trust money in a permanent care and improvement fund must, in Minnesota, permanently retain records of the trust account. The records of the trust account must include the name of the person purchasing the cemetery lot or burial space, the name of the living representative of that person if one was designated, and the location of the money including any identifying numbers and the name and address of the institution in which the money is held.

Subd. 2. Any person, firm, partnership, association, or corporation knowingly violating the provisions of this section shall be guilty of a misdemeanor and for a second offense shall be guilty of a gross misdemeanor.

Subd. 3. This section shall not apply to cemeteries, mausoleums, or columbariums owned and operated by a municipality, church, religious corporation, or religious association.

Sec. 8. Minnesota Statutes 1986, section 306.77, is amended to read:

306.77 [FUNDS, IN CARE OF TRUST COMPANY.]

The board of trustees of any such association shall, by a resolution adopted by a vote of at least two-thirds of its members, designate and appoint one or more trust companies organized under the laws of this state, or a board consisting of at least three individuals, to act as trustee or trustees of such fund. In case more than one trust company shall at any time be so designated and appointed, the board of trustees shall, from time to time, apportion all moneys available for the fund between these trust companies in such proportion as such board by vote may direct or determine. This designation and appointment shall be evidenced by a written instrument duly executed by the proper officers of the association under its corporate seal. Each trust company and individual so designated and appointed shall qualify as such trustee by filing written acceptance of such designation and appointment with the secretary of the association. All instruments of designation and appointment, and any revocation of the same, and the written acceptances shall be recorded at length by the secretary of the association in its corporate records. The appointment of any such trustee may be revoked by the board of trustees of the association at any time by a vote of two-thirds of its members. No trustee of such fund shall be liable as such except for neglect or willful default in the discharge of duties.

Seven days before any portion of the principal of a permanent care and improvement fund is transferred or withdrawn from its present location, the board of trustees must, in writing, notify the county auditor of such activity and of the destination of the funds. Any person, firm, partnership, association, or corporation knowingly violating the provisions of this section shall be guilty of a misdemeanor and for a second offense shall be guilty of a gross misdemeanor.

Sec. 9. Minnesota Statutes 1986, section 306.773, subdivision 1, is amended to read:

Subdivision 1. Every cemetery association heretofore or hereafter organized under the laws of this state which has provided for a permanent care and improvement fund administered by one or more trust companies acting as trustee or trustees of such fund, pursuant to the provisions of section 306.77, may, when the principal of such fund remaining after withdrawals therefrom for purposes authorized by law shall have reached an amount exceeding ~~\$100,000~~ \$350,000, by resolution adopted by a vote of at least

two-thirds of the members of its board of trustees at any authorized meeting of the board, authorize the trust company or trust companies acting as such trustee or trustees, in investing, reinvesting, exchanging, and managing such fund, to acquire every kind of investment, specifically including, but not by way of limitation, bonds, debentures, and other corporate obligations, and corporate stocks, which any ordinarily prudent person of discretion and intelligence, who is a trustee of the property of others, would acquire as such trustee.

Sec. 10. [306.90] [CONSTRUCTION PERFORMANCE BOND.]

Subdivision 1. Any person, firm, partnership, association, or corporation selling burial space in a mausoleum or columbarium before the mausoleum or columbarium is completed and usable shall obtain a performance bond in an amount sufficient to cover all construction costs associated with building the mausoleum or columbarium as promised at the time of sale. The bond shall be executed by an insurance company authorized to do business in Minnesota which has sufficient net worth to satisfy the amount of the bond and which has given consent to be sued in Minnesota.

Subd. 2. The bond shall be in favor of the state for the benefit of any purchaser who suffers a loss due to failure of the seller to deliver the promised structure. Any person claiming against the bond may file a claim with the surety, and if the claim is not paid, may maintain an action based on the bond and recover against the surety. The attorney general may file a claim with the surety on behalf of any purchaser. The surety shall pay the amount of the claims to the attorney general for distribution to the claimants entitled to restitution and shall be relieved of liability to that extent. If the claim is not paid, the attorney general may maintain an action against the surety on behalf of the claimants.

Subd. 3. The aggregate liability of the surety to all persons buying space in the mausoleum or columbarium shall not exceed the amount of the bond.

Subd. 4. Any person, firm, partnership, association, or corporation selling burial space in a mausoleum or columbarium before the mausoleum or columbarium is completed and usable shall file a copy of the performance bond with the county auditor of the county in which the mausoleum or columbarium will be built 30 days before the entity may sell space and begin construction. There shall be paid to the county auditor a filing fee of \$15 for each copy of the bond.

Subd. 5. Any person, firm, partnership, association, or corporation which has begun selling burial space in a mausoleum or columbarium before the mausoleum or columbarium is complete and before the effective date of this section shall file a copy of the performance bond 30 days after the effective date of this section or cease all sales. There shall be paid to the county auditor a filing fee of \$15 for each copy of the bond.

Subd. 6. This section shall not apply to cemeteries, mausoleums, or columbariums owned and operated by a municipality, church, religious corporation, or religious association.

Subd. 7. Any person, firm, partnership, association, or corporation knowingly violating the provisions of this section shall be guilty of a misdemeanor and for a second offense shall be guilty of a gross misdemeanor.

Sec. 11. [306.93] [CERTIFIED LETTER.]

Subdivision 1. Any person, firm, partnership, association, or corporation which is subject to section 306.761 is required to file, by March 31 if operating on a calendar year basis and by 90 days after the end of the fiscal year if operating on a fiscal year basis, either its independently audited financial statement or a certified letter prepared by a certified public accountant which reviews the permanent care and improvement fund and construction performance bond of the cemetery, mausoleum, or columbarium. The letter or audited financial statement must, at a minimum, review whether the amounts in the entity's permanent care and improvement fund and construction performance bond comply with the requirements of this chapter. The independently audited financial statement or the certified letter must be filed with the county auditor of the county in which the cemetery, mausoleum, or columbarium is situated. There shall be paid to the county auditor a filing fee of \$15 for each certified letter or independently audited financial statement.

Subd. 2. Any person, firm, partnership, association, or corporation knowingly violating the provisions of this section shall be guilty of a misdemeanor and for a second offense shall be guilty of a gross misdemeanor.

Sec. 12. [306.95] [DUTIES OF THE COUNTY AUDITOR.]

Subdivision 1. Any county auditor finding evidence of violations of this chapter when reviewing reports or bonds filed by any person, firm, partnership, association, or corporation operating a cemetery, mausoleum, or columbarium must notify the state auditor's office in a timely manner of such finding.

Subd. 2. Every county auditor must file an annual letter by May 31 with the state auditor's office disclosing whether the county auditor has detected any indications of violations of this chapter in the reports or bonds which were filed or should have been filed. If the county auditor has not detected from the information supplied to the county auditor any such indications, that fact must be reported to the state auditor in the annual letter.

Sec. 13. [306.97] [DUTIES OF THE STATE AUDITOR.]

Upon notification from a county auditor of indications of violations of this chapter the state auditor shall make an independent determination of whether a violation of the provisions in this chapter is occurring or is about to occur, and in those instances in which the state auditor finds such evidence the state auditor shall conduct an independent audit of the cemetery, mausoleum, or columbarium in accordance with generally accepted auditing standards and shall inform the appropriate agency of any finding of misconduct. The person, firm, partnership, association, or corporation audited under this section by the state auditor shall reimburse the state auditor for expenses incurred in conducting the audit within 30 days after the state auditor's office submits its expenses. Interest at the rate established in section 549.09 shall accrue on the outstanding balance starting on the 31st day after the state auditor demands expenses."

Delete the title and insert:

"A bill for an act relating to cemeteries; mausoleums, prearranged funeral services; consumer protection; requiring the establishment of a construction performance bond; requiring a permanent care account for any mausoleum; providing reporting requirements; broadening the powers of the county auditors and state auditor; amending Minnesota Statutes 1986, sections 149.11; 149.13; 306.03; 306.04; 306.37; 306.761; 306.77; and 306.773,

subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 306.”

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

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1846 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1846	1725				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1846 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1846 and insert the language after the enacting clause of S.F. No. 1725, the first engrossment; further, delete the title of H.F. No. 1846 and insert the title of S.F. No. 1725, the first engrossment.

And when so amended H.F. No. 1846 will be identical to S.F. No. 1725, and further recommends that H.F. No. 1846 be given its second reading and substituted for S.F. No. 1725, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1886 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
				1886	1694

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1886 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1886 and insert the language after the enacting clause of S.F. No. 1694, the second engrossment; further, delete the title of H.F. No. 1886 and insert the title of S.F. No. 1694, the second engrossment.

And when so amended H.F. No. 1886 will be identical to S.F. No. 1694, and further recommends that H.F. No. 1886 be given its second reading and substituted for S.F. No. 1694, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the

Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Schmitz from the Committee on Local and Urban Government, to which were referred the following appointments as reported in the Journal for February 23, 1987:

METROPOLITAN COUNCIL

Michael W. McLaughlin
Marcy Waritz

Reports the same back with the recommendation that the appointments be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Schmitz from the Committee on Local and Urban Government, to which were referred the following appointments as reported in the Journal for February 26, 1987:

METROPOLITAN COUNCIL

John Robert Evans
Carol Flynn
Donald Stein
Gertrude Ulrich

Reports the same back with the recommendation that the appointments be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred the following appointment as reported in the Journal for March 2, 1987:

METROPOLITAN COUNCIL

Patrick J. Scully

Reports the same back with the recommendation that the appointment be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred the following appointment as reported in the Journal for March 5, 1987:

METROPOLITAN COUNCIL

Joan M. Campbell

Reports the same back with the recommendation that the appointment be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred the following appointment as reported in the Journal for March 16, 1987:

METROPOLITAN COUNCIL
CHAIR

Steve Keefe

Reports the same back with the recommendation that the appointment be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred the following appointment as reported in the Journal for April 6, 1987:

METROPOLITAN WASTE CONTROL COMMISSION
CHAIR

Peter Meintsma

Reports the same back with the recommendation that the appointment be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred the following appointment as reported in the Journal for February 9, 1988:

METROPOLITAN COUNCIL

David Fisher

Reports the same back with the recommendation that the appointment be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mrs. Lantry from the Committee on General Legislation and Public Gaming, to which was referred

S.F. No. 727: A bill for an act relating to lotteries; creating a Minnesota lottery agency and providing for its powers and duties; authorizing the sale of lottery tickets; providing penalties; requiring profits from the lottery to be dedicated to the reinvest in Minnesota resources fund and to the general fund to be used for economic development in greater Minnesota; establishing the reinvest in Minnesota resources endowment fund; appropriating money; amending Minnesota Statutes 1986, sections 10A.01, subdivision 18; 15A.081, subdivision 1; 290.09, by adding a subdivision; and 609.761; proposing coding for new law in Minnesota Statutes, chapters 84 and 297A; proposing coding for new law as Minnesota Statutes, chapter 240A.

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

Delete everything after the enacting clause and insert:

“ARTICLE 1

Section 1. [240B.01] [DEFINITIONS.]

Subdivision 1. [TERMS.] For the purpose of this chapter the terms defined in this section have the meanings given them.

Subd. 2. [AGENCY.] “Agency” means the state lottery agency.

Subd. 3. [COMMISSION.] “Commission” means the Minnesota lottery commission.

Subd. 4. [DIRECTOR.] “Director” means the director of the state lottery agency.

Subd. 5. [LOTTERY.] “Lottery” means a lottery game conducted by the state lottery agency.

Subd. 6. [LOTTERY AGENT.] “Lottery agent” or “agent” means a person with whom the state lottery agency has contracted to sell lottery tickets to the public.

Subd. 7. [LOTTERY TICKET.] “Lottery ticket” or “ticket” means any tangible evidence issued to prove participation in a lottery game.

Subd. 8. [LOTTERY VENDOR.] “Lottery vendor” or “vendor” means a person who has entered into a contract to provide equipment, supplies, or services for the state lottery agency. A lottery vendor does not include a lottery agent.

Subd. 9. [MAJOR PROCUREMENT CONTRACT.] “Major procurement contract” means a contract to provide lottery products, facilities, equipment, computer hardware and software, lottery tickets, advertising, promotional services, and consulting services. Major procurement contracts do not include contracts to provide annuity or prize payment agreements, and materials, supplies, equipment, and services common to the ordinary operations of state agencies.

Sec. 2. [240B.02] [LOTTERY COMMISSION.]

Subdivision 1. [ESTABLISHED; MEMBERSHIP] The Minnesota lottery commission consists of five members who shall be appointed by the governor for terms of six years, with the advice and consent of the senate. At least two members must reside outside the seven-county metropolitan area. The governor shall designate the chair of the commission.

Subd. 2. [QUALIFICATIONS.] A member of the commission must have been a resident of Minnesota for at least five consecutive years immediately prior to appointment.

Subd. 3. [COMPENSATION; REMOVAL; VACANCIES.] The compensation, removal, and filling of vacancies of the commission members is as provided under section 15.0575.

Subd. 4. [DUTIES.] The commission has the following duties:

- (1) to approve a budget for the lottery agency;*
- (2) to approve vendor contracts entered into by the director under section 7;*
- (3) to adopt rules and game procedures upon recommendation of the*

director; and

(4) to approve any agreement entered into by the director to conduct a joint lottery with one or more other states.

Sec. 3. [240B.03] [LOTTERY AGENCY.]

Subdivision 1. [ESTABLISHED; DIRECTOR.] The state lottery agency is a state agency under the control of a director. The governor shall appoint the director of the agency, with the advice and consent of the senate, who serves at the pleasure of the governor, and is in the unclassified service. The director must devote full time to the duties of the office and not be engaged in any other profession or occupation while holding the office.

Subd. 2. [POWERS.] The director has the following powers and duties:

(1) to implement, supervise, and administer a state lottery at the earliest feasible time to produce the maximum amount of net revenue to the state consistent with the public interest;

(2) to recommend to the commission rules for the operation and administration of the lottery;

(3) to recommend to the commission lottery game procedures;

(4) to enter into contracts for the operation and promotion of the lottery and the supply of necessary goods and services with the approval of the commission;

(5) to issue subpoenas to compel the attendance of witnesses and the production of documents, books, records, and other evidence relating to any investigation relating to the lottery;

(6) to employ and supervise personnel;

(7) to enter into written agreements with one or more states, with the approval of the commission, for the operation, marketing, and promotion of a joint lottery;

(8) to prepare a budget for the agency, subject to the approval of the commission; and

(9) to take all necessary steps to ensure the integrity of the lottery in Minnesota.

Sec. 4. [240B.04] [EMPLOYEES.]

Subdivision 1. [DEPUTY AND ASSISTANT DIRECTORS.] The director shall appoint one deputy and three assistant directors for security, marketing, and operations, who shall serve in the unclassified service at the pleasure of the director. The deputy director shall serve as the acting director in the director's absence. The assistant director for security shall be responsible for ensuring the integrity, honesty, and fairness of the operation and administration of the lottery, including conducting background checks of prospective employees of the agency, prospective lottery agents, and prospective lottery vendors. The assistant director of security shall have had at least five years experience in law enforcement or security.

Subd. 2. [OTHER EMPLOYEES.] The director may employ and assign duties to other employees who shall be in the unclassified service as necessary to administer and operate the lottery.

Subd. 3. [BACKGROUND CHECKS.] The director shall conduct background checks on all prospective employees and require all persons employed by the agency to be fingerprinted. No employee of the lottery agency may have been convicted of a felony or a crime involving fraud or misrepresentation within five years of starting employment with the lottery agency, have a felony charge pending, or have been convicted of a gambling-related offense. The director has access to all criminal history data compiled by the bureau of criminal apprehension on employees and prospective employees of the lottery agency.

Subd. 4. [COMPENSATION.] The compensation of all agency employees is as provided in chapter 43A, except that the director may establish an incentive program for employees.

Subd. 5. [ASSISTANCE.] Other departments or agencies of the state shall provide reasonable assistance to the lottery agency at the request of the director. The lottery agency shall make appropriate reimbursement for all assistance.

Sec. 5. [240B.05] [CONFLICT OF INTEREST.]

No member of the commission, the director, or employee of the agency and no member of their families residing in the same household may:

(1) own more than five percent of the outstanding shares or have a management interest in a lottery vendor or lottery agent; or

(2) receive a gift, gratuity, or other thing of value, other than food and beverage, having an aggregate value in excess of \$100 in any calendar year from a lottery vendor or lottery agent.

Sec. 6. [240B.06] [LOTTERY AGENTS.]

Subdivision 1. [CONTRACTS.] The director may enter into contracts with persons to act as lottery agents to sell tickets for a particular lottery game with those persons the director determines meet the qualifications of this section and will serve the public convenience. Before entering into any contract under this section, the director must consider:

(1) the financial responsibility and security of the applicant as shown by, among other things, the applicant's credit history;

(2) the accessibility to the public of the applicant's place of business;

(3) the adequacy of existing lottery agents to serve the public convenience;

(4) the volume of expected sales; and

(5) the effect of the applicant becoming a lottery sales agent on the public health, welfare, and safety.

Subd. 2. [QUALIFICATIONS.] (a) A lottery agent must:

(1) be at least 18 years of age;

(2) be a resident of Minnesota;

(3) have never been convicted of a felony during the previous ten years in a state or federal court or have a state or federal felony charge pending;

(4) have never been convicted of a gambling-related offense;

(5) have never been found guilty of a crime involving fraud or misrepresentation during the previous ten years; or

(6) not be a member of the family residing in the same household of an employee of the agency, director, or member of the commission.

An organization, firm, partnership, or corporation that has a stockholder who owns more than five percent of the stock of the corporation, an officer, or director that does not meet the requirements of clauses (3) to (5) is not eligible to be a lottery agent under this section.

(b) The restrictions under this subdivision do not apply to an organization, partnership, or corporation if the director determines that the organization, partnership, or corporation has terminated its relationship with the individuals whose actions directly contributed to the disqualification under this subdivision.

Subd. 3. [ON-SALE LIQUOR ESTABLISHMENTS.] The director may not authorize the sale of lottery tickets within establishments licensed to sell alcoholic beverages for consumption on the premises.

Subd. 4. [APPLICATION FEE.] The director may charge a nonrefundable application fee to a person applying to become a lottery agent. A fee collected under this subdivision must be deposited into the lottery operations fund.

Subd. 5. [TEMPORARY CONTRACT.] The director may enter into a temporary contract with a person pending final determination of the person's qualifications under this section. A temporary contract may not be for a period greater than 90 days.

Subd. 6. [GOVERNMENT AGENCIES.] A contract may not be entered into with a department, commission, agency, or instrumentality of the state or its political subdivisions, but a contract may be entered into with a person engaged in nongovernmental business on governmental property. The lottery agency may sell lottery tickets to the public.

Subd. 7. [BOND.] The director shall require lottery agents to post a bond in an amount the director determines is sufficient to protect the interests of the state before undertaking the sale of lottery tickets. The bond is payable to the state and must be conditioned on the agent's timely payment of all money due from the sale of lottery tickets.

Subd. 8. [CRIMINAL HISTORY.] The director may request the assistance of the bureau of criminal apprehension in investigating lottery agents and applicants. The director has access to all criminal history data compiled by the bureau on lottery agents and applicants.

Subd. 9. [TRANSFERS.] A contract entered into under this section may not be transferred or assigned.

Subd. 10. [DURATION.] Contracts entered into under this section are for a period of one year.

Subd. 11. [RECORDS.] A lottery agent shall keep full sets of books of account, correspondence, and all other records necessary to show fully the lottery transactions of the agent. The director may require an audit to be conducted by the agency or an outside auditor approved by the director of the books of the agent. The costs of any examination, inspection, or audit may be assessed against the agent. The director may inspect the premises of an agent and examine the agent's books and records relating to the lottery at any reasonable time without a search warrant.

Subd. 12. [PROCEEDS OF SALES.] All proceeds from the sale of lottery

tickets received by a lottery agent constitute a trust fund until paid to the director. The lottery agent is personally liable for all lottery proceeds.

Subd. 13. [RESTRICTIONS.] The sale of lottery tickets by a lottery agent is subject to the restrictions in the agent's contract and must be made at the location specified in the contract.

Subd. 14. [CERTIFICATE.] The director shall issue each lottery agent a certificate, which must be conspicuously displayed at the place where the agent is authorized to sell lottery tickets.

Subd. 15. [AGENT RENTAL PAYMENTS.] If a lottery agent's rental payments for the business premises are contractually computed, in whole or in part, on the basis of a percentage of retail sales, and the computation of retail sales is not explicitly defined to include the sale of lottery tickets, the compensation received by the agent from the agency for the sale of lottery tickets shall be considered the amount of the retail sale for purposes of computing the rental payments.

Subd. 16. [CONTRACT SUSPENSION, CANCELLATION, AND NON-RENEWAL.] The director may suspend or cancel or refuse to renew a contract with a lottery agent for:

- (1) failure to account for tickets received or proceeds from the tickets;*
- (2) failure to comply with bond requirements under this section;*
- (3) a violation of law, rule, or order of the director;*
- (4) failure to file a report or keep records as required by this section or rules of the commission;*
- (5) fraud, misrepresentation, or conduct detrimental to public confidence in the lottery;*
- (6) insufficient sales to justify continuation as a lottery agent;*
- (7) a material change in any of the factors considered by the director under subdivisions 1 and 2; or*
- (8) failure to comply with any term in the agent's contract.*

Sec. 7. [240B.07] [VENDOR CONTRACTS.]

Subdivision 1. [AUTHORITY.] The director may contract for the design, operation, and promotion of the lottery or any part of it, including major procurement contracts, with the approval of the commission, except that no contract may provide for the entire management of the lottery or the entire operation of the lottery by a private entity. The commission may by rule designate certain classes of contracts, other than major procurement contracts, which do not require prior approval by the board. The director may not renew a contract or approve that an option be exercised under a contract without the approval of the commission. A contract entered into by the director may not be assigned except with the director's and commission's specific written approval.

Subd. 2. [BIDS.] The director shall utilize an open and competitive bid process which reflects the best interests of the lottery and the state of Minnesota. In awarding a contract, the director and commission must consider all relevant factors including price, security, competence, experience, timely performance, and maximization of net revenues to the state.

Subd. 3. [INVESTIGATION.] Before entering into any major procurement contract the director shall conduct, or request the bureau of criminal apprehension to conduct, a comprehensive background and financial investigation of the person or corporation seeking to enter into the contract. The director may charge the person or corporation a fee to cover the cost of the investigation. Any fee collected under this subdivision must be deposited into the lottery operations fund. Any information gathered as part of a background or financial investigation of a vendor is confidential data under chapter 13. The director may require any additional information from a vendor or a potential vendor that is considered appropriate to preserve the integrity and security of the lottery. The director has access to all criminal history data compiled by the bureau of criminal apprehension on all vendors and potential vendors who have submitted a bid to the lottery agency.

Subd. 4. [PERSONS INELIGIBLE FOR CONTRACT.] (a) The director may not enter into a major procurement contract with an applicant that:

(1) has been convicted of a felony in a state or federal court during the previous ten years or has a state or federal felony charge pending;

(2) has been convicted of a gambling-related offense;

(3) has been found guilty of any crime involving fraud or misrepresentation during the previous ten years; or

(4) has had a license to conduct or participate in any form of legal gambling revoked or suspended in any jurisdiction.

(b) The director may not enter into a major procurement contract with an applicant that has a person who owns more than five percent of the stock in the applicant, a partner, officer, director or a person in a supervisory or management capacity that does not meet the requirements of clause (1), (2) or (3) of paragraph (a).

(c) The restrictions under this subdivision do not apply to an applicant for a major procurement contract if the director determines that the applicant has terminated its relationship with the individuals whose actions directly contributed to the disqualification of the applicant under this subdivision.

Subd. 5. [BOND.] The director shall require a performance bond to be executed by the person or corporation that is awarded a major procurement contract in an amount at least equal to the estimated value of the first year of the contract.

Subd. 6. [EXEMPTION.] Contracts entered into under this section and section 6 are not subject to the provisions of chapter 16B.

Sec. 8. [240B.08] [RULES AND GAME PROCEDURES.]

Subdivision 1. [RULES.] The commission shall upon recommendation of the director adopt rules for the operation and administration of the lottery. Adoption of lottery rules are not subject to chapter 14. The rules may include:

(1) the manner of payment of prizes to the holders of winning tickets;

(2) the number and types of locations at which tickets are sold;

(3) the qualifications for lottery agents;

- (4) the procedures for applications for lottery agents;
- (5) the investigation of lottery agent applicants;
- (6) the compensation of lottery agents;
- (7) the deposit of lottery revenue by agents;
- (8) the distribution of lottery tickets;
- (9) the manner in which proceeds of ticket sales are maintained, reported, and otherwise accounted;
- (10) procedures necessary to ensure the security and integrity of the lottery;
- (11) procedures for major procurement contracts, including disclosure requirements for persons submitting bids; and
- (12) all other rules deemed necessary for the efficient operation and administration of the lottery in the public interest.

Subd. 2. [GAME PROCEDURES.] The commission shall upon recommendation of the director adopt lottery game procedures. Adoption of lottery game procedures are not subject to chapter 14. Lottery game procedures shall include:

- (1) the types of lotteries to be conducted;
- (2) the price of tickets;
- (3) the number and size of prizes on winning tickets;
- (4) the manner of selecting winning tickets; and
- (5) the frequency of drawings.

Sec. 9. [240B.09] [LOTTERY PRIZES.]

Subdivision 1. [AGREEMENT BY PLAYERS.] A person, by purchasing a lottery ticket, agrees to be bound by the rules applicable to the particular lottery game. The player acknowledges that the determination of whether the player is a valid winner is subject to the rules of the director, claims procedures established by the director for that lottery game, and any confidential or public validation tests established by the director for that lottery game.

Subd. 2. [MINIMUM AGE FOR PURCHASE.] A lottery ticket may not be sold to any person under the age of 18, but a person 18 years of age or older may make a gift of a lottery ticket to a person under the age of 18. The purchaser of a ticket sold in violation of this section is not eligible to receive a prize won by that ticket.

Subd. 3. [ASSIGNABILITY.] The right of a person to a lottery prize is not assignable, except that:

- (1) a prize may be paid to the estate of a deceased prize winner; and
- (2) a person under an appropriate judicial order may be paid a prize to which another person is entitled.

Subd. 4. [DISCHARGE OF LIABILITY.] Payment of a prize discharges the director and the commission of all further liability. No particular prize in a lottery game may be paid more than once, and if a binding determination is made that more than one claimant is entitled to a particular

prize, the sole remedy of the claimants is the award to each of them an equal share in the prize.

Subd. 5. [INELIGIBLE PERSONS.] No lottery prize may be paid to a member of the commission, director, or an employee of the agency, or a member of their families residing in the same household of the member, director, or employee. No lottery prize may be paid to an officer or employee of a vendor which at the time the game or drawing was being conducted was directly involved with providing goods or services to the agency under a major procurement contract.

Subd. 6. [STOLEN OR FRAUDULENT TICKETS.] No prize may be paid from tickets that are stolen, altered, or fraudulent.

Subd. 7. [PAYMENT BY AGENTS.] Subject to certain conditions specified by the director, lottery agents may be authorized to pay winners of certain prizes.

Subd. 8. [INSTALLMENT PAYMENTS.] If the director decides to pay all or part of a prize in the form of installments over a period of years, the director shall provide for the payment of all installments by:

(1) entering into a contract with a financially responsible person or firm or by purchasing an annuity to provide for the payment of the installments; or

(2) establishing and maintaining as a separate and independent fund outside the state treasury a reserve account with sufficient funds for the payment of the installments as they become due.

Subd. 9. [UNCLAIMED PRIZES.] A person may claim prize money within 180 days after the drawing or the announced end of the game in the case of a prize determined in a manner other than by means of a drawing. If a valid claim is not made for a prize directly payable by the agency within 180 days, the unclaimed prize money must be added to prize pools of subsequent lottery games, and the winner of the prize shall have no further claim to the prize. A prize won by a person who is ineligible to be awarded the prize under subdivision 2 or 5 must be treated as an unclaimed prize under this subdivision.

Sec. 10. [240B.10] [LOTTERY ODDS; ADVERTISING.]

Subdivision 1. [ODDS.] The director shall include on each instant lottery ticket and all printed advertising a prominent and clear statement of the estimated overall chances of winning a prize offered in the lottery game for which the ticket is offered for sale or to which the advertising material refers. Each lottery agent must prominently post at or near the place where lottery tickets are sold a notice or notices, provided by the director, of the odds of winning each prize in each game for which the lottery agent sells tickets.

Subd. 2. [ADVERTISING.] The director may only expend money for advertising if the purpose is to educate or inform the public concerning:

(1) the type of games to be conducted;

(2) the price of lottery tickets;

(3) the number and size of prizes on winning tickets, including the winners of lottery prizes;

(4) the manner of selecting winning tickets;

- (5) *the manner of payment of prizes;*
- (6) *the frequency of drawings;*
- (7) *the number or type of locations where tickets may be purchased; or*
- (8) *the manner in which the net proceeds from the lottery are to be used.*

Sec. 11. [240B.11] [LOTTERY FUNDS.]

Subdivision 1. [OPERATIONS ESTABLISHED.] The lottery operations fund is a separate fund outside the state treasury. The fund consists of all money received by the director from the sale of lottery tickets and all other money credited or transferred to it by law. The fund is under the control of the director, and no appropriation is required to permit expenditures and payment of obligations from it.

Subd. 2. [USE OF MONEY.] (a) Money in the lottery operations fund may be used only for:

- (1) *payment of prizes to the holders of winning tickets;*
- (2) *payment of expenses necessary for the operation and administration of the lottery; and*
- (3) *payments into the lottery revenue fund as required by subdivision 5.*

(b) The director shall determine the percentage of money in the lottery operations fund to be allocated among the above purposes, except that the percentage allocated for prizes in a fiscal year may not be less than 45 percent of the gross revenues from the sale of lottery tickets, and the percentage allocated for payment into the lottery revenue fund in a fiscal year may not be less than 30 percent of the gross revenues from the sale of lottery tickets. Money not used for payment of prizes or necessary expenses must be transferred to the lottery revenue fund.

Subd. 3. [DEPOSIT OF RECEIPTS.] (a) The director may require lottery agents:

(1) to deposit to the credit of the lottery operations fund, in banks designated by the director, all money received by the agent from the sale of lottery tickets, less money retained as the agent's commission and for payment of prizes; and

(2) to file with the director reports of the agent's receipts and transactions in ticket sales in a form that the director prescribes.

(b) The director may make arrangements for any person, including a financial institution, to perform functions, activities, or services in connection with the receipt and distribution of lottery revenues.

(c) A lottery agent who fails to pay any money due to the director within 30 days of being due shall pay interest on the amount owed at the rate of one percent per month or fraction of a month from the date when the money was due and a penalty at the rate of ten percent of the amount due.

Subd. 4. [INVESTMENT OF FUNDS.] The director with the approval of the commission shall invest the money in the lottery operations fund to maximize the return and to assure the continuing availability of money with which to pay lottery prizes, to pay the expenses of the agency, and to make authorized transfers of money under subdivision 5. All interest earned must be credited to the lottery operations fund.

Subd. 5. [DETERMINATION OF NET PROCEEDS.] Within 30 days after the end of each quarter, the director shall determine the net proceeds from the lottery for that quarter. The net proceeds is determined by deducting from gross receipts to the agency for that quarter:

(1) total prizes paid out in that quarter;

(2) an amount the director determines to be reasonably required to pay future prize obligations resulting from lottery drawings in that quarter; and

(3) payment of expenses necessary for the operation and administration of the lottery.

Within five days of making the determination of net proceeds, the director shall deposit the net proceeds into the lottery revenue fund.

Subd. 6. [LOTTERY REVENUE FUND.] (a) The lottery revenue fund is a fund in the state treasury.

(b) All revenue deposited in the state treasury by the director under subdivision 5 must be credited to the lottery revenue fund.

(c) Money in the lottery revenue fund is available for appropriation for uses as designated by the legislature.

Subd. 7. [AUDIT.] The director shall contract for an annual certified audit of all accounts and transactions of the agency. The audit must be conducted by a certified public accountant in accordance with generally accepted accounting standards. The director shall file a copy of each audit report of the state lottery with the commission, governor, and legislature.

Subd. 8. [REPORTS.] The director shall file an annual report with the commission, governor, and the legislature. A report must include a full and complete statement of lottery revenues, prize disbursements, expenses, net revenues, and other financial transactions for the time period it covers.

Sec. 12. [240B.12] [PROHIBITED ACTS.]

Subdivision 1. [ILLEGAL SALES.] It is unlawful for a person to:

(1) sell a lottery ticket at a price greater than that fixed by the commission;

(2) sell a lottery ticket unless authorized by the director to do so, however, this does not prohibit lottery tickets from being given as gifts; or

(3) sell a lottery ticket at a place other than that specified in a lottery agent contract.

Subd. 2. [ILLEGAL TICKETS.] It is unlawful for a person to:

(1) with intent to defraud, falsely make, alter, or forge a lottery ticket;

(2) claim a lottery prize by means of a counterfeit or altered lottery ticket; or

(3) conspire, aid, abet, or agree to aid another person or persons to claim a lottery prize by means of an altered or forged ticket.

Subd. 3. [FALSE STATEMENT.] It is unlawful for a person to:

(1) make a false or misleading statement in a book or record required to be maintained or in a report required to be submitted under this chapter;

(2) willfully refuse to produce for inspection when required under this

chapter a book, record, or document required to be maintained; or

(3) make a false or misleading statement in information submitted to the director in an application for a lottery agent or a document related to a bid.

Subd. 4. [VIOLATION OF RULE.] It is unlawful for a person to violate a rule adopted by the commission under this chapter.

Subd. 5. [LOTTERY AGENTS AND VENDORS.] A person who is a lottery agent, or is applying to be a lottery agent, a person applying for a contract from the agency, or a person under contract with the agency to supply lottery games, equipment, or services may not pay, give, or make any economic opportunity, gift, loan, gratuity, special discount, favor, hospitality, or service, excluding food or beverage, having an aggregate value of over \$100 in any calendar year to a member of the commission, the director, or employee of the agency, or to a member of the immediate family residing in the same household of a member of the commission, director, or employee of the agency.

Sec. 13. [240B.13] [PENALTIES.]

Subdivision 1. [GROSS MISDEMEANOR.] A violation of section 12, subdivision 1 or 2, is a gross misdemeanor.

Subd. 2. [MISDEMEANORS.] A violation of any provision of this chapter for which another penalty is not provided is a misdemeanor.

Sec. 14. [TRANSITION.]

Of the members first appointed to the lottery commission, one is for a term expiring June 30, 1990, two are for terms expiring June 30, 1992, and two are for terms expiring June 30, 1994.

Sec. 15. [ADMINISTRATION EXPENSES.]

The director may expend up to 25 percent of gross receipts for administrative expenses during the first two years of operation.

Sec. 16. [APPROPRIATION.]

Subdivision 1. [LOTTERY ADVANCE.] There is appropriated from the general fund to the director of the state lottery agency for deposit in the state lottery operations fund the sum of \$ The appropriation is available until expended.

Subd. 2. [REPAYMENT.] The director shall deposit into the general fund from the lottery operations fund a sum sufficient to repay the advance made by subdivision 1 with interest at the rate of eight percent per year within 90 days of the beginning of the sale of lottery tickets under sections 1 to 13.

Sec. 17. [EFFECTIVE DATE.]

Sections 1 to 16 are effective the day following final certification of the adoption by the people at the 1988 general election of an amendment to the Minnesota Constitution which authorizes the state to conduct a lottery.

ARTICLE 2

Section 1. Minnesota Statutes 1986, section 10A.01, subdivision 18, is amended to read:

Subd. 18. "Public official" means any:

- (a) member of the legislature;
- (b) constitutional officer in the executive branch and the officer's chief administrative deputy;
- (c) member, chief administrative officer or deputy chief administrative officer of a state board or commission which has at least one of the following powers: (i) the power to adopt, amend or repeal rules, or (ii) the power to adjudicate contested cases or appeals;
- (d) commissioner, deputy commissioner or assistant commissioner of any state department as designated pursuant to section 15.01;
- (e) individual employed in the executive branch who is authorized to adopt, amend or repeal rules or adjudicate contested cases;
- (f) executive director of the state board of investment;
- (g) executive director of the Indian affairs intertribal board;
- (h) commissioner of the iron range resources and rehabilitation board;
- (i) director of mediation services;
- (j) deputy of any official listed in clauses (e) to (i);
- (k) judge of the workers' compensation court of appeals;
- (l) administrative law judge or compensation judge in the state office of administrative hearings or hearing examiner in the department of jobs and training;
- (m) solicitor general or deputy, assistant or special assistant attorney general;
- (n) individual employed by the legislature as secretary of the senate, legislative auditor, chief clerk of the house, revisor of statutes, or researcher or attorney in the office of senate research, senate counsel, or house research;
or
- (o) member or chief administrative officer of the metropolitan council, regional transit board, metropolitan transit commission, metropolitan waste control commission, metropolitan parks and open spaces commission, metropolitan airports commission or metropolitan sports facilities commission;
or
- (p) *the director, deputy director, and assistant directors of the state lottery agency.*

Sec. 2. Minnesota Statutes 1987 Supplement, section 15A.081, subdivision 1, is amended to read:

Subdivision 1. The governor shall set the salary rate within the ranges listed below for positions specified in this subdivision, upon approval of the legislative commission on employee relations and the legislature as provided by section 43A.18, subdivisions 2 and 5:

	Salary Range Effective July 1, 1983
Commissioner of finance;	\$57,500-\$78,500

Commissioner of transportation;
Commissioner of human services;
Executive director, state board of investment;
Commissioner of revenue;
Director, state lottery agency;
Commissioner of administration; \$50,000-\$67,500
Commissioner of agriculture;
Commissioner of commerce;
Commissioner of corrections;
Commissioner of jobs and training;
Commissioner of employee relations;
Commissioner of energy and economic development;
Commissioner of health;
Commissioner of labor and industry;
Commissioner of natural resources;
Commissioner of public safety;
Chair, waste management board;
Chief administrative law judge; office of administrative hearings;
Director, pollution control agency;
Director, state planning agency;
Executive director, housing finance agency;
Executive director, public employees retirement association;
Executive director, teacher's retirement association;
Executive director, state retirement system;
Chair, metropolitan council;
Chair, regional transit board;
Coordinator of full productivity and opportunity;
Commissioner of human rights; \$42,500-\$60,000
Director, department of public service;
Commissioner of veterans' affairs;
Director, bureau of mediation services;

Commissioner, public utilities commission;

Member, transportation regulation board.

Sec. 3. Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19b, is amended to read:

Subd. 19b. [SUBTRACTIONS FROM FEDERAL TAXABLE INCOME.] For individuals, estates, and trusts, there shall be subtracted from federal taxable income:

(1) interest income on obligations of any authority, commission, or instrumentality of the United States to the extent includable in taxable income for federal income tax purposes but exempt from state income tax under the laws of the United States;

(2) if included in federal taxable income, the amount of any overpayment of income tax to Minnesota or to any other state, for any previous taxable year, whether the amount is received as a refund or as a credit to another taxable year's income tax liability; ~~and~~

(3) the amount paid to others not to exceed \$650 for each dependent in grades kindergarten to six and \$1,000 for each dependent in grades seven to 12, for tuition, textbooks, and transportation of each dependent in attending an elementary or secondary school situated in Minnesota, North Dakota, South Dakota, Iowa, or Wisconsin, wherein a resident of this state may legally fulfill the state's compulsory attendance laws, which is not operated for profit, and which adheres to the provisions of the Civil Rights Act of 1964 and chapter 363. As used in this clause, "textbooks" includes books and other instructional materials and equipment used in elementary and secondary schools in teaching only those subjects legally and commonly taught in public elementary and secondary schools in this state. "Textbooks" does not include instructional books and materials used in the teaching of religious tenets, doctrines, or worship, the purpose of which is to instill such tenets, doctrines, or worship, nor does it include books or materials for, or transportation to, extracurricular activities including sporting events, musical or dramatic events, speech activities, driver's education, or similar programs. In order to qualify for the subtraction under this clause the taxpayer must elect to itemize deductions under section 63(e) of the Internal Revenue Code of 1986, as amended through December 31, 1986; *and*

(4) prizes won in the state lottery conducted under article 1, sections 1 to 13.

Sec. 4. [297A.259] [SALE OF LOTTERY TICKETS.]

The sale of lottery tickets authorized under article 1, sections 1 to 13, is exempt from the sales and use tax imposed by this chapter.

Sec. 5. Minnesota Statutes 1986, section 340A.410, subdivision 5, is amended to read:

Subd. 5. [GAMBLING PROHIBITED.] (a) No retail establishment licensed to sell alcoholic beverages may keep, possess, or operate, or permit the keeping, possession, or operation on the licensed premises of dice or any gambling device as defined in section 349.30, or permit gambling therein except as provided in this subdivision.

(b) Gambling equipment may be kept or operated and raffles conducted on licensed premises and adjoining rooms when the use of the gambling equipment is authorized under chapter 349.

(c) Lottery tickets may be purchased and sold within the premises licensed to sell at off-sale as authorized under article 1, sections 1 to 13.

Sec. 6. Minnesota Statutes 1986, section 541.20, is amended to read:

541.20 [RECOVERY OF MONEY LOST.]

Every person who, by playing at cards, dice, or other game, or by betting on the hands or sides of such as are gambling, shall lose to any person so playing or betting any sum of money or any goods, and pays or delivers the same, or any part thereof, to the winner, may sue for and recover such money by a civil action, before any court of competent jurisdiction. For purposes of this section, gambling shall not include pari-mutuel wagering conducted under a license issued pursuant to chapter 240, or gambling authorized under chapter 349 or article 1, sections 1 to 13.

Sec. 7. Minnesota Statutes 1986, section 541.21, is amended to read:

541.21 [COMMITMENTS FOR GAMBLING DEBT VOID.]

Every note, bill, bond, mortgage, or other security or conveyance in which the whole or any part of the consideration shall be for any money or goods won by gambling or playing at cards, dice, or any other game whatever, or by betting on the sides or hands of any person gambling, or for reimbursing or repaying any money knowingly lent or advanced at the time and place of such gambling or betting, or lent and advanced for any gambling or betting to any persons so gambling or betting, shall be void and of no effect as between the parties to the same, and as to all persons except such as hold or claim under them in good faith, without notice of the illegality of the consideration of such contract or conveyance. The provisions of this section shall not apply to pari-mutuel wagering conducted under a license issued pursuant to chapter 240, or gambling authorized under article 1, sections 1 to 13.

Sec. 8. Minnesota Statutes 1986, section 609.75, subdivision 3, is amended to read:

Subd. 3. [WHAT ARE NOT BETS.] The following are not bets:

(1) A contract to insure, indemnify, guarantee or otherwise compensate another for a harm or loss sustained, even though the loss depends upon chance.

(2) A contract for the purchase or sale at a future date of securities or other commodities.

(3) Offers of purses, prizes or premiums to the actual contestants in any bona fide contest for the determination of skill, speed, strength, endurance, or quality or to the bona fide owners of animals or other property entered in such a contest.

(4) The game of bingo when conducted in compliance with sections 349.11 to 349.23.

(5) A private social bet not part of or incidental to organized, commercialized, or systematic gambling.

(6) The operation of equipment or the conduct of a raffle under sections 349.11 to 349.22, by an organization licensed by the charitable gambling control board or an organization exempt from licensing under section 349.214.

(7) Pari-mutuel betting on horse racing when the betting is conducted

under chapter 240.

(8) The purchase or sale of a lottery ticket when conducted under article 1, sections 1 to 13.

Sec. 9. Minnesota Statutes 1986, section 609.761, is amended to read:
609.761 [OPERATIONS PERMITTED.]

Subdivision 1. [LAWFUL GAMBLING; PARI-MUTUEL HORSE BETTING.] Notwithstanding sections 609.755 and 609.76, an organization may conduct lawful gambling as defined in section 349.12, if authorized under chapter 349, and a person may manufacture, sell, or offer for sale a gambling device to an organization authorized under chapter 349 to conduct lawful gambling, and pari-mutuel betting on horse racing may be conducted under chapter 240.

Subd. 2. [STATE LOTTERY.] Sections 609.755 and 609.76 do not prohibit the operation of a state lottery or the sale, purchase, or possession of tickets for a state lottery under article 1, sections 1 to 13.

Sec. 10. [EFFECTIVE DATE.]

Sections 1 to 9 are effective the day following final certification of the adoption by the people at the 1988 general election of an amendment to the Minnesota Constitution which authorizes the state to conduct a lottery."

Delete the title and insert:

"A bill for an act relating to lotteries; creating a Minnesota lottery agency and providing for its powers and duties; authorizing the sale of lottery tickets; providing penalties; appropriating money; amending Minnesota Statutes 1986, sections 10A.01, subdivision 18; 340A.410, subdivision 5; 541.20; 541.21; 609.75, subdivision 3; and 609.761; Minnesota Statutes 1987 Supplement, sections 15A.081, subdivision 1; 290.01, subdivision 19b; proposing coding for new law in Minnesota Statutes, chapter 297A; and proposing coding for new law as Minnesota Statutes, chapter 240B."

And when so amended the bill do pass and be re-referred to the Committee on Governmental Operations. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 1751, 1663, 1772, 1228, 1705, 1980, 1918, 1793, 1692, 1822, 1667, 1673, 1121, 1765 and 1867 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 1846 and 1886 were read the second time.

MOTIONS AND RESOLUTIONS

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

Ms. Peterson, D.C. moved that her name be stricken as chief author and the name of Mr. Chmielewski be added as chief author to S.F. No. 1249. The motion prevailed.

Mr. Dahl moved that the name of Mr. Beckman be added as a co-author to S.F. No. 1333. The motion prevailed.

Mr. Dicklich moved that the name of Mr. Samuelson be added as a co-author to S.F. No. 1365. The motion prevailed.

Mr. Metzen moved that the name of Mr. Marty be added as a co-author to S.F. No. 1679. The motion prevailed.

Ms. Peterson, D.C. moved that the name of Mr. Spear be added as a co-author to S.F. No. 1758. The motion prevailed.

Mr. Johnson, D.J. moved that the name of Mr. Dicklich be added as a co-author to S.F. No. 1817. The motion prevailed.

Mr. Ramstad moved that the name of Mr. Pogemiller be added as a co-author to S.F. No. 1871. The motion prevailed.

Mr. Freeman moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 1874. The motion prevailed.

Mrs. Adkins moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 1900. The motion prevailed.

Mr. Vickerman moved that the names of Messrs. Brandl and Anderson be added as co-authors to S.F. No. 1933. The motion prevailed.

Ms. Berglin moved that the names of Mr. Spear, Mrs. Lantry and Mr. Brandl be added as co-authors to S.F. No. 2009. The motion prevailed.

Mr. Dahl moved that the name of Mr. Marty be added as a co-author to S.F. No. 2131. The motion prevailed.

Mr. Beckman moved that the names of Ms. Piper and Mr. Chmielewski be added as co-authors to S.F. No. 2142. The motion prevailed.

Mr. Vickerman moved that the name of Ms. Piper be added as a co-author to S.F. No. 2157. The motion prevailed.

Mr. Vickerman moved that the name of Ms. Piper be added as a co-author to S.F. No. 2158. The motion prevailed.

Mr. Frederickson, D.J. moved that the name of Mr. Beckman be added as a co-author to S.F. No. 2195. The motion prevailed.

Mr. Benson moved that the name of Mr. Laidig be added as a co-author to S.F. No. 2204. The motion prevailed.

Mrs. Lantry moved that S.F. No. 994 be withdrawn from the Committee on Health and Human Services and re-referred to the Committee on Employment. The motion prevailed.

Mr. Diessner moved that S.F. No. 2029 be withdrawn from the Committee on Employment and returned to its author. The motion prevailed.

Mr. Renneke moved that S.F. No. 2041 be withdrawn from the Committee on Environment and Natural Resources and re-referred to the Committee on Agriculture. The motion prevailed.

Mr. Renneke moved that S.F. No. 2042 be withdrawn from the Committee on Environment and Natural Resources and re-referred to the Committee on Agriculture. The motion prevailed.

Mr. Wegscheid moved that S.F. No. 2053 be withdrawn from the Committee on Environment and Natural Resources and returned to its author. The motion prevailed.

Mr. Moe, R.D. moved that Senate Resolution No. 105 be withdrawn from

the Committee on Rules and Administration and laid on the table. The motion prevailed.

Mr. Moe, R.D. moved that Senate Resolution No. 105 be taken from the table. The motion prevailed.

Senate Resolution No. 105: A Senate resolution designating May 11 as Commonwealth Day.

WHEREAS, in the view of our nation's founders, the idea of "commonwealth" meant a democracy (republican government of the people), rather than a monarchy; and

WHEREAS, four states (Massachusetts, Pennsylvania, Virginia, and Kentucky) have, to date, officially declared themselves to be "Commonwealths"; and

WHEREAS, commonwealth means not only republican government but also the commonweal, or public good, the specific forms of "commonwealth" in which all citizens have a stake, and for which all bear a measure of responsibility; and

WHEREAS, Minnesota's history has, in many of its best moments, amply demonstrated the importance and effectiveness of the commonwealth ideal of widespread citizen participation in community and civic affairs and a widely shared sense of responsibility for those matters; NOW, THEREFORE,

BE IT RESOLVED by the Senate of the State of Minnesota that May 11, Statehood Day, be declared also "Commonwealth Day," to commemorate and renew our understanding of this important civic tradition.

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

CALENDAR

S.F. No. 1711: A bill for an act relating to Aitkin county; permitting the county to regulate certain public land interests by ordinance.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 1622: A bill for an act relating to agriculture; clarifying which debtors are eligible for mediation; amending Minnesota Statutes 1986,

section 583.24, subdivision 2.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 1715: A bill for an act relating to local government; providing conditions for certain county contracts; amending Minnesota Statutes 1986, section 471.345, by adding a subdivision.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 4, as follows:

Those who voted in the affirmative were:

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

Messrs. Knaak, Knutson, Merriam and Peterson, R.W. voted in the negative.

So the bill passed and its title was agreed to.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Messrs. Benson, Decker and Frederickson, D.R. introduced—

S.F. No. 2218: A bill for an act relating to taxation; allocating motor vehicle excise tax; amending Minnesota Statutes 1987 Supplement, section 297B.09, subdivision 1.

Referred to the Committee on Transportation.

Mr. Solon introduced—

S.F. No. 2219: A bill for an act relating to insurance; removing certain life insurance products from the general restrictions on advertisements of investment products; requiring certain life insurance policy disclosures; amending Minnesota Statutes 1987 Supplement, section 45.025, subdivisions 1, 2, and by adding a subdivision.

Referred to the Committee on Commerce.

Ms. Berglin introduced—

S.F. No. 2220: A bill for an act relating to transportation; specifying fee for identification cards issued to physically handicapped persons; amending Minnesota Statutes 1986, section 171.07, subdivision 3.

Referred to the Committee on Transportation.

Mr. DeCramer introduced—

S.F. No. 2221: A bill for an act relating to motor vehicles; motorcycles; increasing the fee for duplicate driver's license obtained to add a two-wheeled vehicle endorsement; increasing portion of two-wheeled endorsement license fee that is dedicated to the motorcycle safety fund; amending Minnesota Statutes 1986, 171.06, subdivision 2a.

Referred to the Committee on Transportation.

Ms. Berglin introduced—

S.F. No. 2222: A bill for an act relating to judges; providing for the composition and operation of the board on judicial standards; amending Minnesota Statutes 1986, section 490.16, subdivisions 3, 5, and by adding a subdivision; Minnesota Statutes 1987 Supplement, section 490.15, subdivision 1.

Referred to the Committee on Judiciary.

Ms. Peterson, D.C. introduced—

S.F. No. 2223: A bill for an act relating to libraries; appropriating money for automated resource sharing.

Referred to the Committee on Education.

Ms. Peterson, D.C. introduced—

S.F. No. 2224: A bill for an act relating to elections; requiring optical scan voting systems to be tested within 14 days before election; amending Minnesota Statutes 1986, section 206.83.

Referred to the Committee on Elections and Ethics.

Mr. Hughes introduced—

S.F. No. 2225: A bill for an act relating to Ramsey county; permitting the county to make a negotiated land sale.

Referred to the Committee on Environment and Natural Resources.

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

S.F. No. 2226: A bill for an act relating to state government; amending certain provisions governing advisory councils, committees, and task forces; amending Minnesota Statutes 1986, sections 3.922, subdivision 3; 3.9225, subdivision 1; 3.9226, subdivision 1; 6.65; 15.059, subdivision 5; 79.51, subdivision 4; 84B.11, subdivision 1; 85A.02, subdivision 4; 115.54; 116C.59, subdivisions 1, 2, and 4; 116C.839; 121.83; 124.48, subdivision 3; 126.56, subdivision 5; 128A.03, subdivision 3; 135A.05; 136A.02, subdivision 7; 138.97, subdivision 3; 162.02, subdivision 2; 162.09, subdivision 2; 174.031, subdivision 2; 175.008; 182.653, subdivision 4e; 214.141; 248.10, subdivision 2; 254A.035, subdivision 2; 256C.28, subdivision 2; 299F.097; 611A.34, subdivision 1; 611A.71, by adding a subdivision; Minnesota Statutes 1987 Supplement, sections 15.059, subdivision 3 and 6; 16B.20, subdivision 2; 43A.316, subdivision 4; 115A.12, subdivision 1; 116J.971, by adding a subdivision; 120.17, subdivision 11a; 121.934, subdivision 1; 123.935, subdivision 7; 126.665; 129C.10, subdivision 3; 136A.02, subdivision 6; 144.672, subdivision 1; 175.007, subdivision 1; 245.697, subdivision 1; 245.97, subdivision 6; 246.56, subdivision 2; 256.482, subdivision 1; 256.73, subdivision 7; 256B.064, subdivision 1a; 256B.27, subdivision 3; 256B.433, subdivisions 1 and 4; 299A.23, subdivision 2; 299J.06, subdivision 4; repealing Minnesota Statutes 1986, sections 116J.04; 160.80, subdivision 6; 174.031, subdivision 6; 177.28, subdivision 2; 326.66; Minnesota Statutes 1987 Supplement, section 115A.12, subdivision 2.

Referred to the Committee on Governmental Operations.

Mr. Wegscheid introduced—

S.F. No. 2227: A bill for an act relating to retirement; public employees retirement association; clarifying certain ambiguous provisions, changing administrative requirements, and amending member eligibility requirements; amending Minnesota Statutes 1986, sections 69.031, by adding a subdivision; 353.01, subdivisions 7, 15, 29, and by adding a subdivision; 353.028, subdivision 2; 353.03, subdivision 1; 353.27, subdivisions 7, 13, and by adding a subdivision; 353.32, subdivisions 2 and 5; 353.33, subdivision 7, and by adding a subdivision; 353.37, subdivision 1; 353.65, subdivision 2; 353.651, by adding a subdivision; Minnesota Statutes 1987 Supplement, sections 353.01, subdivisions 2b, 10, 16, and 20; 353.27, subdivisions 10 and 12; 353.29, subdivision 6; 353.32, subdivision 1a; 353.33, subdivision 1; 353.34, subdivision 3; 353C.02; 353C.04; 353C.06, subdivisions 1 and 4; 353C.08, subdivision 5, and by adding a subdivision; 353D.05, subdivision 2; 353D.07, subdivisions 1, 2, and 4; 353D.08; 356.302, subdivisions 1 and 3; proposing coding for new law in Minnesota Statutes, chapter 353; repealing Minnesota Statutes 1987 Supplement, section 353D.07, subdivision 5.

Referred to the Committee on Governmental Operations.

Mr. Vickerman introduced—

S.F. No. 2228: A bill for an act relating to traffic regulations; authorizing recreational vehicle combinations and restricting their use; amending Minnesota Statutes 1986, sections 169.01, by adding a subdivision; and 169.81, subdivision 3, and by adding a subdivision.

Referred to the Committee on Transportation.

Mrs. Adkins introduced—

S.F. No. 2229: A bill for an act relating to environment; providing priority for certain wastewater treatment facility projects to be funded by state grants; amending Minnesota Statutes 1987 Supplement, section 116.16, subdivision 5.

Referred to the Committee on Environment and Natural Resources.

Ms. Piper, Mr. Purfeerst, Mrs. Lantry, Messrs. Vickerman and Marty introduced—

S.F. No. 2230: A bill for an act relating to traffic regulations; providing for alternative slow-moving vehicle emblem for persons with sincerely held religious beliefs; amending Minnesota Statutes 1987 Supplement, section 169.522, subdivision 1.

Referred to the Committee on Transportation.

Messrs. Schmitz, Pehler and Lessard introduced—

S.F. No. 2231: A bill for an act relating to drainage; changing certain requirements for repair and abandonment of systems; amending Minnesota Statutes 1986, sections 106A.715, subdivision 1; 106A.745; and Minnesota Statutes 1987 Supplement, section 106A.811, subdivision 5.

Referred to the Committee on Environment and Natural Resources.

Ms. Olson, Messrs. Knaak, Larson, Knutson and Mehrkens introduced—

S.F. No. 2232: A bill for an act relating to education; increasing the regular special education reimbursement rate; reducing certain levy equity deductions; appropriating money; amending Minnesota Statutes 1987 Supplement, sections 124.32, subdivision 1b; 124.574, subdivision 2b; 275.125, subdivision 8c; proposing coding for new law in Minnesota Statutes, chapter 124A.

Referred to the Committee on Education.

Mr. Knaak introduced—

S.F. No. 2233: A bill for an act relating to game and fish; authorizing party hunting of deer by firearms licensees and crossbow permit holders; amending Minnesota Statutes 1986, section 97B.301, subdivision 3.

Referred to the Committee on Environment and Natural Resources.

Mr. Stumpf introduced—

S.F. No. 2234: A bill for an act relating to emergency services; permitting political subdivisions to authorize aid under certain conditions; amending Minnesota Statutes 1986, section 12.27, by adding a subdivision.

Referred to the Committee on Local and Urban Government.

Mr. Stumpf introduced—

S.F. No. 2235: A bill for an act relating to workers' compensation; regulating the location of certain medical examinations; amending Minnesota

Statutes 1987 Supplement, section 176.155, subdivision 1.

Referred to the Committee on Employment.

Mr. Schmitz introduced—

S.F. No. 2236: A bill for an act relating to education; providing levy adjustment aid to districts with auditor's errors.

Referred to the Committee on Education.

Mr. Wegscheid introduced—

S.F. No. 2237: A bill for an act relating to retirement; various public employee pension plans; clarifying certain ambiguous provisions; correcting certain oversights, inconsistencies, unintended results, and erroneous provisions; eliminating certain redundant, obsolete, or conflicting provisions; amending Minnesota Statutes 1986, sections 3.85, subdivision 11; 3A.01, by adding a subdivision; 3A.02, subdivision 1, and by adding a subdivision; 3A.03; 3A.06; 3A.11, subdivision 4; 3A.12, subdivision 1; 6.72, subdivisions 1 and 3; 11A.18, subdivisions 2, 4, and 5; 15.38, by adding a subdivision; 43A.44, subdivision 2; 60A.15, by adding a subdivision; 69.021, subdivisions 6 and 7; 69.031, subdivision 5; 69.051, subdivisions 1, 1a, and 3; 69.27; 69.28; 69.29; 69.62; 69.77, subdivisions 1, 1a, 2, 2a, 2c, 2e, 2f, 2g, 2i, and 3; 69.771, subdivisions 1 and 3; 69.772, subdivisions 2a and 4; 69.773, subdivision 5; 69.774, subdivision 1; 69.776; 69.78; 85A.01, subdivision 3; 136.80; 136.81, subdivision 1; 136.84; 176.021, subdivision 7; 256D.21; 290.35, subdivision 3; 345.381; 352C.01; 352C.021, subdivisions 4, 5, 6, and 7; 352C.031; 352C.033; 352C.04, subdivisions 1, 2a, 3, and 4; 352C.051; 352C.09; 352C.091, subdivision 1; 352D.02, subdivisions 1, 1a, and by adding a subdivision; 352D.03; 352D.05, subdivision 3; 352D.09, subdivisions 2, 4, and 7; 352D.11, subdivisions 1 and 4; 353.01, subdivision 18; 353.025; 353.05; 353.06; 353.27, subdivision 9, and by adding subdivisions; 353.34, subdivision 5; 353.36, subdivision 2b, and by adding a subdivision; 353.46, subdivision 2; 353.63; 353.64, subdivision 4; 353.661; 354.05, subdivisions 3, 11, and by adding a subdivision; 354.06, subdivisions 2, 3, 4, 5, 6, and 7; 354.07, subdivisions 4 and 7; 354.33, subdivisions 5 and 6; 354.42, subdivision 7, and by adding a subdivision; 354.44, subdivisions 6 and 7; 354.47, subdivisions 1 and 2; 354.48, subdivisions 2 and 4; 354.49, subdivisions 4 and 5; 354.531; 354.55, subdivision 17; 354.62, subdivision 2; 354A.011, subdivision 27; 354A.30; 354A.31, subdivisions 2 and 3; 354A.34; 354A.36, subdivisions 3, 3a, and 4; 355.58; 355.73, subdivision 8; 355.74, subdivision 2; 356.18, subdivision 1; 356.20, subdivision 4a; 356.24; 356.371, subdivision 1; 356.452; 356.453; 356.65, subdivision 1; 356.70, subdivision 2; 356.71; 363.02, subdivision 6; 383A.20; subdivision 4; 383B.39; 383B.46; 383B.51; 398A.03, subdivision 7; 422A.01, subdivisions 12 and 13; 422A.02; 422A.05, subdivisions 1, 2c, 5, and 6; 422A.06, subdivisions 1 and 3; 422A.08, subdivision 1; 422A.09, subdivisions 1, 2, and 4; 422A.10, subdivisions 1 and 2; 422A.11, subdivisions 1, 3, and 4; 422A.12, subdivision 2; 422A.13, subdivision 2; 422A.15, subdivision 4; 422A.156; 422A.16, subdivisions 8 and 9; 422A.18, subdivisions 1, 2, and 3; 422A.22, subdivisions 1, 2, and 4; 422A.23, subdivisions 2, 9, and 10; 422A.25; 423.37; 423.372; 423.381; 423.391; 423.41; 423.43; 423.801, subdivision 2; 423A.01, subdivisions 1, 2, and 4; 423A.02; 423A.16; 424.01; 424.03;

424.165, subdivision 3; 424A.001, subdivision 3 and by adding a subdivision; 424A.02, subdivisions 1, 2, 6, and 10; 424A.03, subdivisions 1 and 2; 453.61; 453A.11; 458A.03, subdivision 6; 462.389, subdivision 4; 471A.10; 473.512, subdivision 1; 473.565, subdivisions 1 and 2; 490.102, subdivisions 1, 3, and 6; 490.106; 490.107; 490.108; 490.109; 490.1091; 490.12, subdivision 3; 490.123, subdivisions 2 and 3; 490.124, subdivision 9; 490.126, subdivisions 2, 3, 4, and by adding a subdivision; and 490.129; Minnesota Statutes 1987 Supplement, sections 3.85, subdivision 12; 11A.04; 11A.18, subdivisions 6 and 11; 43A.316, subdivision 8; 43A.34, subdivision 3; 69.011, subdivision 2; 69.021, subdivision 5; 69.77, subdivisions 2b and 2h; 69.772, subdivision 3; 69.773, subdivision 4; 136.81, subdivision 3; 352.01, subdivisions 2b, 4, 5, 11, and by adding subdivisions; 352.021, subdivision 4; 352.03, subdivisions 4, 5, and 6; 352.04, subdivision 9; 352.05; 352.115, subdivisions 1, 3, 8, 10, and 11; 352.116; 352.119, subdivisions 2 and 3; 352.12, subdivisions 2, 12, and 13; 352.22, subdivisions 2, 3, 5, and 9; 352.23; 352.72, subdivisions 1 and 2; 352.73, subdivision 3; 352.85, subdivisions 1, 4, and 5; 352.86, subdivisions 1 and 3; 352.90; 352.92; 352.93; 352B.01, subdivisions 2 and 3; 352B.02; 352B.03, subdivision 2; 352B.05; 352B.08, subdivisions 1, 2, and by adding a subdivision; 352B.14, subdivisions 1, 2, 3, and by adding a subdivision; 352B.30, subdivision 1; 353.01, subdivisions 2b and 16; 353.33, subdivision 1; 353.64, subdivision 1; 353.71, subdivision 1; 353A.04, subdivision 8; 353A.07, subdivision 4; 353A.08, subdivisions 1, 2, and 3; 353A.09, by adding a subdivision; 353A.10, by adding a subdivision; 353B.07, subdivisions 1 and 3; 353B.08, subdivision 2, 6, and 7; 353B.11, subdivision 8; 353C.03; 353C.06, subdivisions 3 and 4; 353D.01; 353D.02; 353D.07, subdivision 5, and by adding a subdivision; 353D.10; 354.05, subdivisions 2 and 35; 354.06, subdivisions 1 and 2a; 354.07, subdivision 1; 354.48, subdivision 3; 354.51, subdivision 5; 354.532, subdivision 1; 354.60; 354.62, subdivision 5; 354A.39; 356.20, subdivisions 2 and 4; 356.215, subdivisions 1, 3, 4, 4d, 4f, 4g, 4h, 6, and by adding a subdivision; 356.216; 356.302, subdivisions 1, 3, and 7; 356.303, subdivision 4; 356.41; 422A.06, subdivisions 5 and 8; 422A.09, subdivision 3; 422A.101, subdivisions 1, 3, and by adding subdivisions; 423.39; 469.056, subdivision 1; 469.094, subdivision 3; and 518.582, subdivision 1; Laws 1969, chapter 224, section 3; Laws 1985, chapter 259, section 5; and chapter 261, sections 31, as amended; and 38, as amended; Laws 1986, chapter 359, section 25; reenacting Laws 1978, chapter 563, section 8; proposing coding for new law in Minnesota Statutes, chapters 60A; 69; 352; 353D; 354A; 356; and 490; repealing Minnesota Statutes 1986, sections 3.85, subdivision 10; 69.56; 69.58; 69.59; 69.60; 69.61; 136.88, subdivision 3; 251.011, subdivision 8; 352C.091, subdivision 2; 353.36, subdivisions 2a and 2c; 353.46, subdivision 1a; 353.662; 353.663; 353.74; 353.75; 353.83; 353.84; 353.85; 354.41, subdivision 3; 354.55, subdivisions 5, 6, 14, 15, and 18; 354.56; 355.311, subdivisions 2, 3, and 4; 356.325; 356.35; 356.36; 356.37; 356.38; 356.39; 356.45; 356.451, subdivision 2; 356.454; 356.455; 356.70, subdivisions 1 and 2; 383A.295, subdivision 3; 383B.40; 422A.06, subdivision 4; 422A.22, subdivision 2; 424.165, subdivisions 1, 2, and 4; 473.565, subdivisions 3 and 4; 490.102, subdivisions 7 and 8; 490.105; and 490.12, subdivision 9; repealing Minnesota Statutes 1987 Supplement, sections 69.54; 69.55; 352.01, subdivision 7; 352.115, subdivision 2; 352.119, subdivision 1; 352.73, subdivisions 1 and 2; 352.75, subdivisions 1, 2, 3, and 6; 352.76; 352B.14, subdivisions 4 and 5; 352B.261; 352B.262; 352B.27; 352B.28; 352B.29; 353.36, subdivision 2; 355.311, subdivision 1; 356.451, subdivision 1; 422A.101, subdivisions 2 and 2a; repealing Laws 1915,

chapter 68; Laws 1921, chapter 118; Laws 1923, chapter 54; Laws 1925, chapter 197; Laws 1935, chapter 208, section 4; Laws 1943, chapter 267; Laws 1949, chapter 153; Laws 1953, chapter 91, sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, subdivisions 1, 2, and 3, 12, 13, 14, 15, and 16; Laws 1955, chapters 187; and 375, sections 30, as amended, and 31, 32, 33, 34, 35, and 36; Laws 1957, chapters 455, section 14 and 630; Laws 1959, chapter 191; Laws 1975, chapters 408 and 425; Laws 1976, chapters 99 and 247; Laws 1980, chapter 600, sections 11 and 12; Laws 1981, chapter 68, section 43; Laws 1982, chapter 578, article II, section 1, subdivision 8; Laws 1984, chapters 558, article I, section 9; 564, section 48, as amended, and 574, sections 18 and 20; and Laws 1985, chapter 261, sections 17 and 18; Laws 1986, chapter 458, section 23.

Referred to the Committee on Governmental Operations.

Mr. Stumpf introduced—

S.F. No. 2238: A bill for an act relating to state land; conveying title to state land in Kittson county.

Referred to the Committee on Environment and Natural Resources.

Messrs. Johnson, D.E.; Mehrkens; Ramstad; Samuelson and Schmitz introduced—

S.F. No. 2239: A resolution memorializing the heads of the federal departments and agencies holding records concerning reported live sightings of American military personnel classified as prisoners of war or missing in action in Southeast Asia to make the records available to the public.

Referred to the Committee on Veterans.

Messrs. Waldorf and Samuelson introduced—

S.F. No. 2240: A bill for an act relating to human services; requiring procedures to increase the cost to revenue ratios for nursing homes; requiring legislators to sit on an advisory committee; regulating rates and reporting requirements for therapy costs of nursing homes; amending Minnesota Statutes 1987 Supplement, sections 256B.433, subdivisions 1, 3, and 4; and 256B.47, subdivision 3.

Referred to the Committee on Health and Human Services.

Mr. Waldorf introduced—

S.F. No. 2241: A bill for an act relating to health; allowing a certified boarding care facility to upgrade to a nursing facility; expanding the scope of the interagency board study; amending Minnesota Statutes 1987 Supplement, sections 144A.071, subdivision 3; 144A.073, subdivisions 1 and 3; Laws 1987, chapter 403, article 4, section 13; repealing Minnesota Statutes 1987 Supplement, section 144A.073, subdivision 7.

Referred to the Committee on Health and Human Services.

Messrs. Jude and Belanger introduced—

S.F. No. 2242: A bill for an act relating to crimes; providing mandatory minimum penalties for aggravated robbery of a pharmacy; amending Minnesota Statutes 1986, section 609.245.

Referred to the Committee on Judiciary.

Ms. Berglin, Mr. Solon, Ms. Piper, Messrs. Knutson and Benson introduced—

S.F. No. 2243: A bill for an act relating to vocational rehabilitation; providing employment program rights to persons with disabilities; requiring inclusion of these programs in county social services plans; amending Minnesota Statutes 1987 Supplement, section 256E.09, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 129A.

Referred to the Committee on Health and Human Services.

Messrs. Dicklich; Novak; Johnson, D.E.; Storm and Marty introduced—

S.F. No. 2244: A bill for an act relating to cable television; exempting certain small cable systems; requiring new franchises to be granted on same terms as original franchise; prohibiting utilities from giving unfair preference to affiliated companies that provide cable television service; amending Minnesota Statutes 1986, sections 238.02, subdivision 3; and 238.08, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 238.

Referred to the Committee on Public Utilities and Energy.

Ms. Berglin introduced—

S.F. No. 2245: A bill for an act relating to health; limiting reporting requirements for epidemiologic studies; providing grants for AIDS evaluation and counseling; providing fines for rule violations; creating an environmental health fee account; increasing fees for restaurant, hotel, and resort licenses; appropriating money; amending Minnesota Statutes 1986, section 144.053, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapters 145 and 157.

Referred to the Committee on Health and Human Services.

Mr. Knaak introduced—

S.F. No. 2246: A bill for an act relating to taxation; individual income; imposing tax on certain deemed discharges of indebtedness income; amending Minnesota Statutes 1987 Supplement, section 290.01, subdivisions 19a and 19b; proposing coding for new law in Minnesota Statutes, chapter 290.

Referred to the Committee on Taxes and Tax Laws.

Mr. Luther and Ms. Berglin introduced—

S.F. No. 2247: A bill for an act relating to human services; changing certain appeal procedures; amending Minnesota Statutes 1986, section 256B.50, as amended by Laws 1987, chapter 403, article 4, section 12; and Minnesota Statutes 1987 Supplement, section 256B.47, subdivision 1.

Referred to the Committee on Health and Human Services.

Messrs. Storm, Bernhagen and Jude introduced—

S.F. No. 2248: A bill for an act relating to environment; prohibiting operation of a solid waste business after conviction of a felony; providing a penalty; proposing coding for new law in Minnesota Statutes, chapter 115A.

Referred to the Committee on Environment and Natural Resources.

Messrs. Davis, DeCramer and Stumpf introduced—

S.F. No. 2249: A bill for an act relating to agriculture; farm safety; restoring the position of extension safety program specialist in the extension service; assigning responsibilities; appropriating money.

Referred to the Committee on Agriculture.

Mr. Morse, Ms. Piper, Messrs. Stumpf, Solon and Pehler introduced—

S.F. No. 2250: A bill for an act relating to libraries; authorizing spending to contribute to acquiring and bettering public land and buildings for libraries with certain conditions; authorizing issuance of state bonds; appropriating money.

Referred to the Committee on Education.

Mr. Davis introduced—

S.F. No. 2251: A bill for an act relating to agriculture; prescribing milk marketing violations; authorizing enforcement of disruptive trade practices; authorizing entry, inspection, and investigation of milk marketing practices; requiring records and reports; providing remedies and penalties for milk marketing violations; authorizing assessments on milk processors; proposing coding for new law as Minnesota Statutes, chapter 32C; repealing Minnesota Statutes 1986, sections 32A.01 to 32A.09.

Referred to the Committee on Agriculture.

Mr. Davis introduced—

S.F. No. 2252: A bill for an act relating to agriculture; establishing a Minnesota dairy commission; providing for pilot projects and reports; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 32C.

Referred to the Committee on Agriculture.

Messrs. Cohen, Marty and Purfeerst introduced—

S.F. No. 2253: A bill for an act relating to law enforcement; barring traffic citation quotas; proposing coding for new law in Minnesota Statutes, chapter 169.

Referred to the Committee on Transportation.

Mr. Lessard introduced—

S.F. No. 2254: A bill for an act relating to taxation; income; providing a pension exclusion; repealing the credit for elderly and disabled persons;

amending Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19b; proposing coding for new law in Minnesota Statutes, chapter 290; repealing Minnesota Statutes 1987 Supplement, section 290.06, subdivision 20.

Referred to the Committee on Taxes and Tax Laws.

Mr. Vickerman introduced—

S.F. No. 2255: A bill for an act relating to agriculture; extending certain benefits under the family farm security act; amending Minnesota Statutes 1986, section 41.57, subdivision 4.

Referred to the Committee on Agriculture.

Mr. Novak introduced—

S.F. No. 2256: A bill for an act relating to the city of Mounds View; providing an exception from the Mounds View police civil service system for the chief and deputy chief of police.

Referred to the Committee on Local and Urban Government.

Mr. Novak introduced—

S.F. No. 2257: A bill for an act relating to statute of limitations; providing relief for certain individuals denied a remedy due to the unconstitutionality of a statute of limitation relating to real property improvement.

Referred to the Committee on Judiciary.

Mr. Novak introduced—

S.F. No. 2258: A bill for an act relating to real property; providing for the rights of persons holding certificates of title; amending Minnesota Statutes 1987 Supplement, section 508.25.

Referred to the Committee on Judiciary.

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

S.F. No. 2259: A bill for an act relating to local government; the city of Cook and Koochiching and St. Louis counties; providing for the establishment of a hospital district in portions of those counties.

Referred to the Committee on Local and Urban Government.

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

S.F. No. 2260: A bill for an act relating to property tax reform; changing property tax classifications, aids, and credits; abolishing certain levy limits; increasing the state share of financial participation in aid to families with dependent children, emergency assistance, general assistance, emergency general assistance, work readiness, Minnesota supplemental assistance, medical assistance, preadmission screening, alternative care grants, and general assistance medical care to 100 percent; clarifying the administration of human services programs; establishing a compliance system for certain

public assistance programs and public assistance incentive fund; appropriating money; amending Minnesota Statutes 1986, sections 6.62, subdivision 1; 18.023, subdivision 8; 110B.15, subdivision 4; 115.34, subdivision 1; 124.2137, subdivision 1; 134.34, subdivision 5; 164.041; 256.72; 256.81; 256.82, subdivision 1; 256.863; 256.871, subdivision 6; 256.935, subdivision 1; 256.991; 256B.041, subdivisions 5 and 7; 256B.05, subdivision 1; 256B.19, subdivision 2; 256D.03, subdivision 6; 256D.04; 256D.36, subdivision 1; 273.135, subdivision 5; 273.1391, subdivision 4; 275.14; 275.15; 275.16; 279.01, as amended; 298.28, subdivision 12; 298.282, subdivisions 2 and 3; 298.39; 298.396; 360.037, subdivision 2; 375.167, subdivision 1; 383C.55; 393.07, subdivision 2; 414.01, subdivision 15; 423.376, subdivision 3; 426.04; 444.075, subdivision 4; 465.73; 471.1921; 471.572, subdivision 2; 471A.03, subdivision 4; 473.87; 473.882, subdivision 3; 473F08, subdivision 3a; 475.74; 475.754; 477A.011, subdivisions 6, 10, 11, and by adding subdivisions; and 477A.012, subdivision 2; Minnesota Statutes 1987 Supplement, sections 38.27, subdivision 3; 124.155, subdivision 2; 124.2139; 124A.02, subdivision 11; 129A.06, subdivision 2; 256.01, subdivision 2; 256B.091, subdivision 8; 256B.15; 256B.19, subdivision 1; 256D.03, subdivision 2; 256G.01, subdivision 3; 256G.02, subdivision 4; 256G.04, subdivision 1; 256G.05; 256G.07; 256G.10; 256G.11; 272.02, subdivisions 1 and 1a; 272.115, subdivision 4; 273.123, subdivisions 1, 4, 5, and 7; 273.124, subdivisions 11 and 13; 273.13, subdivisions 23, 24, 25, and 31; 273.1392; 273.1393; 273.42, subdivision 2; 275.50, subdivision 2; 276.04; 279.06; 281.17; 290A.03, subdivisions 13 and 14; 290A.04, subdivisions 2 and 2a; 393.07, subdivision 10; 412.251; 447.34, subdivision 1; 447.35; 469.107; 471.74, subdivision 2; 473.446, subdivision 1; 473.8441, subdivision 1; 473F02, subdivision 4; 475.61, subdivision 3; and 477A.013, subdivisions 1, 2, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapters 256 and 273; amending Laws 1987, chapter 268, article 6, sections 19 and 53; repealing Minnesota Statutes 1986, sections 256.965; 273.13, subdivision 30; 275.11; 275.50, as amended; 275.51, as amended; 275.54; 275.55; 275.56; 275.561; 275.58; 383C.552; 471A.04; and 477A.011, subdivisions 3a, 4, 5, 7a, 13, and 14; Minnesota Statutes 1987 Supplement, sections 245.775; 256D.22; 273.13, subdivision 15a; 273.1394; 273.1395; 273.1396; 273.1397; 275.081; 275.082; 275.125, subdivision 22; 290A.04, subdivision 2b; 477A.011, subdivision 7; and 477A.012, subdivision 1; Laws 1987, chapter 268, article 5, section 4.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Marty; Solon; Moe, D.M. and Mrs. Lantry introduced—

S.F. No. 2261: A bill for an act relating to health; regulating the sale of hearing aids; regulating persons who dispense hearing aids; appropriating money; prescribing penalties; amending Minnesota Statutes 1986, section 145.43, subdivision 1; Minnesota Statutes 1987 Supplement, section 145.43, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 153A; repealing Minnesota Statutes 1986, sections 153A.01 to 153A.12.

Referred to the Committee on Health and Human Services.

Ms. Olson, Messrs. Merriam, Knaak, Larson and Novak introduced—

S.F. No. 2262: A bill for an act relating to environment; requiring the state board of education to require school districts to recycle paper; proposing coding for new law in Minnesota Statutes, chapter 121.

Referred to the Committee on Education.

Ms. Berglin, Messrs. Benson; Freeman; Moe, R.D. and Knutson introduced—

S.F. No. 2263: A bill for an act relating to health; providing a state administered insurance program for persons without health care coverage; requiring premiums on a sliding fee basis; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 256H.

Referred to the Committee on Health and Human Services.

Mr. Marty introduced—

S.F. No. 2264: A bill for an act relating to elections; allowing the city of Falcon Heights to consolidate election precincts.

Referred to the Committee on Elections and Ethics.

Mr. Dicklich introduced—

S.F. No. 2265: A bill for an act relating to state lands; allowing St. Louis county to sell up to 30 percent of its tax-forfeited waterfront land for forest management purposes.

Referred to the Committee on Environment and Natural Resources.

Mr. Cohen introduced—

S.F. No. 2266: A bill for an act relating to child abuse; authorizing counties to establish pilot programs; allowing the appointment of a children's intermediary in certain criminal child abuse proceedings; prescribing powers and duties of the intermediary; proposing coding for new law in Minnesota Statutes, chapter 631.

Referred to the Committee on Health and Human Services.

Mr. Dicklich introduced—

S.F. No. 2267: A bill for an act relating to education; providing for sale of permanent school fund lands; amending Minnesota Statutes 1986, section 92.67, subdivision 5; Minnesota Statutes 1987 Supplement, sections 92.46, subdivision 1; and 92.67, subdivisions 1, 3, and 4.

Referred to the Committee on Environment and Natural Resources.

Mr. Cohen introduced—

S.F. No. 2268: A bill for an act relating to retirement; former employees of the bureau of health of the city of Saint Paul; providing for a refund of excess employee contributions to the bureau of health pension fund.

Referred to the Committee on Governmental Operations.

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

S.F. No. 2269: A bill for an act relating to education; requiring child care facilities and services in some state funded buildings at the University of Minnesota, Twin Cities campus; proposing coding for new law in Minnesota

Statutes, chapter 137.

Referred to the Committee on Education.

Ms. Peterson, D.C. introduced—

S.F. No. 2270: A bill for an act relating to state building code; allowing use of double cylinder deadbolt locks in certain instances; amending Minnesota Statutes 1987 Supplement, section 16B.61, subdivision 3.

Referred to the Committee on Economic Development and Housing.

Mr. Luther, Ms. Piper, Messrs. Frank, Kroening and Dahl introduced—

S.F. No. 2271: A bill for an act relating to taxation; property tax refunds; restoring the full amount for 1986 claims; removing the appropriation limit for 1987 claims; appropriating money; amending Laws 1987, chapter 268, article 3, section 12.

Referred to the Committee on Taxes and Tax Laws.

Mr. Pehler introduced—

S.F. No. 2272: A resolution memorializing the Congress of the United States to investigate the connection between Agent Orange and health problems of Vietnam veterans.

Referred to the Committee on Veterans.

Ms. Berglin, Messrs. Samuelson; Chmielewski; Frederickson, D.R. and Johnson, D.E. introduced—

S.F. No. 2273: A bill for an act relating to human services; setting forth goals for regional treatment centers in the continuum of mental health services; proposing coding for new law in Minnesota Statutes, chapter 245.

Referred to the Committee on Health and Human Services.

Mr. Pehler introduced—

S.F. No. 2274: A bill for an act relating to agricultural trade; authorizing the establishment of a foreign trade office in the Federal Republic of Germany; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116J.

Referred to the Committee on Economic Development and Housing.

Mr. Cohen introduced—

S.F. No. 2275: A bill for an act relating to juveniles; eliminating statutory references to "dependency" and "neglect" and substituting the term "child in need of protection or services"; eliminating juvenile court jurisdiction over children who are "habitually disobedient"; transferring alleged truants and runaways to the court's protective services jurisdiction; transferring certain young alleged delinquents to the court's protective services jurisdiction; limiting the duration of the court's continuing jurisdiction over truants; permitting the juvenile court to declare mature minors completely or partially emancipated; limiting the juvenile court's contempt authority

over nondelinquents; amending Minnesota Statutes 1986, sections 242.19, subdivision 2; 260.011, subdivision 2; 260.015, subdivision 21, and by adding a subdivision; 260.103, subdivision 1; 260.111; 260.121, subdivisions 1 and 2; 260.131, subdivision 1; 260.132, subdivisions 1 and 3; 260.133, subdivision 2; 260.135, subdivisions 1 and 3; 260.155, subdivisions 1, 4, and 4a; 260.156; 260.171, subdivision 4; 260.173, subdivision 3; 260.181, subdivision 4; 260.191, subdivisions 1 and 4; 260.194; 260.221; 260.235; 260.255; 260.291, subdivisions 1 and 4; 260.301; 260.315; 260.35; 260.36; and 484.73, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 260; repealing Minnesota Statutes 1986, section 260.015, subdivisions 6 and 10.

Referred to the Committee on Judiciary.

Mr. Cohen introduced—

S.F. No. 2276: A bill for an act relating to insurance; requiring insurance coverage for services provided by a private duty nurse or personal care assistant to a ventilator-dependent person; proposing coding for new law in Minnesota Statutes, chapter 62A.

Referred to the Committee on Commerce.

Mr. Cohen introduced—

S.F. No. 2277: A bill for an act relating to education; establishing a records destruction schedule for chemical abuse preassessment teams; requiring law enforcement reports of certain violations to preassessment teams; amending Minnesota Statutes 1987 Supplement, sections 126.034; 126.035; 126.037; and 260.161, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 126; repealing Minnesota Statutes 1987 Supplement, section 126.033, subdivision 4.

Referred to the Committee on Education.

Mr. Cohen introduced—

S.F. No. 2278: A bill for an act relating to civil process; specifying property exempt from final process issued by a court; modifying the exemption for employee benefits; amending Minnesota Statutes 1986, section 550.37, subdivision 24.

Referred to the Committee on Judiciary.

Mr. Cohen introduced—

S.F. No. 2279: A bill for an act relating to courts; prescribing when a referee's orders become effective; amending Minnesota Statutes 1986, section 484.70, subdivision 7.

Referred to the Committee on Judiciary.

Messrs. Langseth, Purfeerst, DeCramer, Mehrkens and Mrs. Lantry introduced—

S.F. No. 2280: A bill for an act relating to taxation; sales and motor vehicle excise; exempting purchases by the Minnesota department of transportation; amending Minnesota Statutes 1987 Supplement, sections 297A.25, subdivision 11; and 297B.03.

Referred to the Committee on Transportation.

Messrs. DeCramer and Merriam introduced—

S.F. No. 2281: A bill for an act relating to education; authorizing additional uses for arts program appropriations; allowing appropriations to be available for the biennium; requiring a report on categorical aids funding sources; amending Minnesota Statutes 1986, section 129B.20, subdivision 1; Laws 1987, chapter 398, article 5, section 2, subdivision 12; and article 7, section 40, subdivision 4.

Referred to the Committee on Education.

Mr. Dicklich introduced—

S.F. No. 2282: A bill for an act relating to liquors; authorizing municipalities to issue intoxicating malt liquor licenses to certain license holders; amending Minnesota Statutes 1987 Supplement, section 340A.404, subdivision 5.

Referred to the Committee on Commerce.

Messrs. DeCramer, Schmitz, Lessard, Bernhagen and Moe, R.D. introduced—

S.F. No. 2283: A bill for an act relating to local government; enacting an equalization grants program for wastewater treatment facilities; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116.

Referred to the Committee on Environment and Natural Resources.

Mr. Frank introduced—

S.F. No. 2284: A bill for an act relating to courts; providing that the prosecuting political subdivision shall be responsible for the payment of witness fees in criminal and juvenile cases; amending Minnesota Statutes 1986, sections 357.24; 357.241; and 357.32.

Referred to the Committee on Judiciary.

Mr. Frank introduced—

S.F. No. 2285: A bill for an act relating to retirement; authorizing purchase of prior service credit in the teachers retirement association by a certain member.

Referred to the Committee on Governmental Operations.

Mr. Peterson, R.W. introduced—

S.F. No. 2286: A bill for an act relating to environment; amending certain statutes administered by the environmental quality board; prohibiting delegation of responsibilities; authorizing certain enforcement actions; prohibiting construction of certain projects; requiring project proposers to pay costs of environmental impact statements; appropriating money; amending Minnesota Statutes 1986, sections 116C.04, by adding a subdivision; 116D.04, by adding subdivisions; and 116D.045, subdivisions 1, 2, 3, and 4; Minnesota Statutes 1987 Supplement, section 116C.03, subdivision 2; repealing

Minnesota Statutes 1986, section 116D.045, subdivision 5.

Referred to the Committee on Environment and Natural Resources.

Mr. Peterson, R.W. introduced—

S.F. No. 2287: A bill for an act relating to trusts; permitting the creation of custodial trusts; adopting the uniform custodial trust act; proposing coding for new law as Minnesota Statutes, chapter 529.

Referred to the Committee on Judiciary.

Messrs. Davis, Solon, Wegscheid and Anderson introduced—

S.F. No. 2288: A bill for an act relating to commerce; regulating sales and repair of hearing aids; amending Minnesota Statutes 1986, section 145.43, subdivision 1a, and by adding a subdivision; Minnesota Statutes 1987 Supplement, section 145.43, subdivision 4.

Referred to the Committee on Commerce.

Messrs. Merriam; Johnson, D.J.; Lessard; Stumpf and Frederickson, D.R. introduced—

S.F. No. 2289: A bill for an act relating to the environment; authorizing the waste management board to enter agreements providing for the development and operation of a wholly or partially state owned stabilization and containment facility; directing the board to make recommendation for legislative changes needed to implement facility development and operation; proposing coding for new law in Minnesota Statutes, chapter 115A.

Referred to the Committee on Environment and Natural Resources.

Mr. Lessard introduced—

S.F. No. 2290: A bill for an act relating to hazardous waste; strengthening waste management board oversight of the development of hazardous waste facilities; amending Minnesota Statutes 1986, section 115A.07, by adding a subdivision.

Referred to the Committee on Environment and Natural Resources.

Mr. Chmielewski introduced—

S.F. No. 2291: A bill for an act relating to public safety; providing penalty for railroad corporation that blocks railroad crossing for longer than ten minutes, under certain conditions; amending Minnesota Statutes 1986, section 219.383, subdivision 4.

Referred to the Committee on Transportation.

Mr. Chmielewski introduced—

S.F. No. 2292: A bill for an act relating to state lands; authorizing sale of certain tax-forfeited lands that border public water in Pine county.

Referred to the Committee on Environment and Natural Resources.

Mr. Chmielewski, Mrs. Adkins, Messrs. Brandl and Benson introduced—

S.F. No. 2293: A bill for an act relating to human services; providing medical assistance to certain work activity programs; establishing pilot program; amending Minnesota Statutes 1987 Supplement, section 256B.02, subdivision 8; proposing coding for new law in Minnesota Statutes, chapter 256B.

Referred to the Committee on Health and Human Services.

Messrs. Larson; Decker; Mehrkens; Johnson, D.E. and Anderson introduced—

S.F. No. 2294: A bill for an act relating to taxation; changing the rate of gross premiums tax imposed on certain mutual insurance companies; amending Minnesota Statutes 1986, section 69.031, subdivision 3; Minnesota Statutes 1987 Supplement, sections 60A.15, subdivision 1; and 69.021, subdivision 5.

Referred to the Committee on Taxes and Tax Laws.

Mr. Kroening introduced—

S.F. No. 2295: A bill for an act relating to motor vehicles; allowing full-service deputy registrar at pilot city regional center.

Referred to the Committee on Transportation.

Messrs. Jude; Johnson, D.J.; Vickerman; Merriam and Belanger introduced—

S.F. No. 2296: A bill for an act relating to the Minnesota Constitution; proposing to repeal article XIII, section 3.

Referred to the Committee on Education.

Ms. Berglin introduced—

S.F. No. 2297: A bill for an act relating to health; establishing two studies concerning blood lead levels in American Indian children and in pregnant women; appropriating money.

Referred to the Committee on Health and Human Services.

Messrs. Spear and Wegscheid introduced—

S.F. No. 2298: A bill for an act relating to liquor; requiring sale on equal basis to all retailers; prohibiting sales below cost; requiring certain price information; amending Minnesota Statutes 1986, section 340A.307, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 340A.

Referred to the Committee on Commerce.

Messrs. Solon, Gustafson, Dicklich and Johnson, D.J. introduced—

S.F. No. 2299: A bill for an act relating to St. Louis county; providing duties of the county board and the county administrator; regulating finances;

providing for property assessments; repealing obsolete laws; amending Minnesota Statutes 1986, sections 383C.031; 383C.034; 383C.091; 383C.094, subdivision 1; 383C.131; 383C.133, subdivision 1; 383C.135; 383C.16; 383C.161; 383C.162; 383C.231, subdivision 1; 383C.232; 383C.26; 383C.261; 383C.36; 383C.422; 383C.482, subdivision 1; 383C.74, subdivision 1; 383C.75; and 383C.78, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 383C; repealing Minnesota Statutes 1986, section 383C.075; 383C.076; 383C.095; 383C.132; 383C.13; 383C.133; 383C.17; 383C.171; 383C.174; 383C.175; 383C.20; 383C.201; 383C.202; 383C.203; 383C.291; 383C.292; 383C.339; 383C.361; 383C.362; 383C.363; 383C.392, subdivision 2; 383C.423; 383C.424; 383C.45; 383C.481; 383C.52; 383C.521; 383C.523; 383C.55; 383C.551; 383C.552; 383C.553; 383C.554; 383C.555, subdivision 2; 383C.556; 383C.557; 383C.61; 383C.611; 383C.612; 383C.613; 383C.64; 383C.641; 383C.642; 383C.643; 383C.644; 383C.645; 383C.646; 383C.647; 383C.648; 383C.649; 383C.65; 383C.651; 383C.66; 383C.67; 383C.671; 383C.672; 383C.673; 383C.674; 383C.675; 383C.676; 383C.677; 383C.77; 383C.80; 383C.801; 383C.802; 383C.803; 383C.804; and 383C.805; Minnesota Statutes 1987 Supplement, section 383C.76.

Referred to the Committee on Local and Urban Government.

Messrs. Solon, Samuelson, Ms. Peterson, D.C.; Messrs. Freeman and Anderson introduced—

S.F. No. 2300: A bill for an act relating to commerce; regulating preparation of certain financial information for membership camping contract applications and subdivider qualification statements; repealing an exception to the exemption of subdivided lands within a city; prohibiting advance payments relating to resale of time share property interests; providing for hearing on misleading or deceptive sales practices relating to subdivisions; amending Minnesota Statutes 1986, sections 82A.04, subdivision 2; 83.26, subdivision 2; and 83.44; Minnesota Statutes 1987 Supplement, sections 83.23, subdivision 3; and 83.45.

Referred to the Committee on Commerce.

Messrs. Pehler and Davis introduced—

S.F. No. 2301: A bill for an act relating to retirement; treating certain service credit in teachers retirement association as covered correctional service; amending Minnesota Statutes 1986, section 354.55, by adding a subdivision.

Referred to the Committee on Governmental Operations.

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

S.F. No. 2302: A bill for an act relating to taxation; property; classifying utility property as commercial-industrial; classifying certain personal property; amending Minnesota Statutes 1986, section 273.13, by adding a subdivision; and Minnesota Statutes 1987 Supplement, section 273.13, subdivision 24.

Referred to the Committee on Taxes and Tax Laws.

Mr. Pehler introduced—

S.F. No. 2303: A bill for an act relating to taxation; providing an exemption from the sales tax for materials and equipment purchased in connection with the expansion of certain manufacturing plants; proposing coding for new law in Minnesota Statutes, chapter 297A.

Referred to the Committee on Taxes and Tax Laws.

Mr. Pehler introduced—

S.F. No. 2304: A bill for an act relating to employment; requiring training for employees of correctional facilities for exposure to infectious agents; amending Minnesota Statutes 1986, section 182.653, subdivision 4f.

Referred to the Committee on Health and Human Services.

Mr. Pehler introduced—

S.F. No. 2305: A bill for an act relating to education; specifying the source of school district retirement and F.I.C.A. contributions for community education employees; setting community education and early childhood family education aids and levies; amending Minnesota Statutes 1987 Supplement, sections 121.912, subdivision 1; 124.271, subdivision 2b; 124.2711, subdivision 1; and 275.125, subdivision 8.

Referred to the Committee on Education.

Messrs. Pogemiller, Brandl, Spear, Mses. Peterson, D.C. and Berglin introduced—

S.F. No. 2306: A bill for an act relating to retirement; providing for the funding of certain retirement fund deficiencies; amending Minnesota Statutes 1986, sections 275.125, by adding a subdivision; and 354A.12, subdivision 2, and by adding a subdivision.

Referred to the Committee on Governmental Operations.

Messrs. Pogemiller, Spear, Ms. Peterson, D.C.; Mr. Brandl and Ms. Berglin introduced—

S.F. No. 2307: A bill for an act relating to retirement; permitting an amendment to the Minneapolis teachers retirement fund articles.

Referred to the Committee on Governmental Operations.

Mr. Wegscheid introduced—

S.F. No. 2308: A bill for an act relating to environment; repealing the requirement for installation of aircraft noise suppression equipment at the Minneapolis-St. Paul International Airport; repealing Minnesota Statutes 1986, section 473.608, subdivision 20.

Referred to the Committee on Local and Urban Government.

Mr. Pogemiller introduced—

S.F. No. 2309: A bill for an act relating to child support; providing that a court shall stay service of an automatic withholding order if an obligor establishes an escrow account for payment of child support or maintenance;

authorizing parties to waive automatic income withholding when there is a child support or maintenance order; amending Minnesota Statutes 1987 Supplement, section 518.613, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 518.

Referred to the Committee on Health and Human Services.

Messrs. Moe, D.M.; Waldorf; Mrs. Lantry, Messrs. Renneke and Wegscheid introduced—

S.F. No. 2310: A bill for an act relating to retirement; St. Paul police non-duty disability benefits; amending Laws 1955, chapter 151, section 9, subdivision 7, as amended.

Referred to the Committee on Governmental Operations.

Mr. Freeman introduced—

S.F. No. 2311: A bill for an act relating to employment and training; creating an advisory task force on the employment and training of dislocated workers.

Referred to the Committee on Employment.

Mr. Cohen introduced—

S.F. No. 2312: A bill for an act relating to drivers' licenses; requiring destruction of records of revocation or suspension when rescinded; amending Minnesota Statutes 1986, section 171.12, by adding a subdivision.

Referred to the Committee on Transportation.

Messrs. Hughes, Dicklich and Pehler introduced—

S.F. No. 2313: A bill for an act relating to education; providing for faculty exchanges between secondary schools and post-secondary institutions.

Referred to the Committee on Education.

Mr. Jude introduced—

S.F. No. 2314: A bill for an act relating to environment; providing reciprocal access to courts and administrative agencies for injuries caused by transboundary pollution; proposing coding for new law in Minnesota Statutes, chapter 543.

Referred to the Committee on Judiciary.

Mr. Diessner introduced—

S.F. No. 2315: A bill for an act relating to workers' compensation; modifying definitions of daily and weekly wage; defining spendable weekly earnings; changing the basis for calculating indemnity benefits; clarifying availability of temporary partial benefit; limiting eligibility for permanent total compensation; limiting eligibility for subsequent disability benefits; changing eligibility for and amount of supplementary benefits; delaying cost of living adjustments; regulating workers' compensation insurers; regulating assigned risk insurance; amending Minnesota Statutes 1986, sections 79.251, subdivisions 2, 3, and 4; 79.252, subdivision 1; 176.011,

subdivisions 3, 18, and by adding a subdivision; 176.101, subdivisions 1, 2, 3a, 3e, 3h, 3j, 3k, 3n, 3p, 4, and 5; 176.105, subdivision 1; 176.132, subdivisions 1, 2, and 3; 176.261; 176.645, subdivision 2; Minnesota Statutes 1987 Supplement, section 176.131, subdivision 8; repealing Minnesota Statutes 1986, section 176.101, subdivision 6.

Referred to the Committee on Employment.

Mr. Marty introduced—

S.F. No. 2316: A bill for an act relating to the environment; requiring notice of the release of genetically engineered organisms; creating a task force to study certain issues relating to genetic engineering; proposing coding for new law in Minnesota Statutes, chapter 145.

Referred to the Committee on Environment and Natural Resources.

Messrs. Davis, Samuelson and Berg introduced—

S.F. No. 2317: A bill for an act relating to animals; preserving the Minnesota humane society as a nonprofit corporation; providing the society with certain statutory powers to protect animals and to provide assistance in the enforcement of laws prohibiting animal abuse; amending Minnesota Statutes 1987 Supplement, sections 343.01; 343.06; 343.10; 343.12; and 343.29, subdivision 1; repealing Laws 1987, chapter 394, section 13.

Referred to the Committee on General Legislation and Public Gaming.

Messrs. Morse, DeCramer, Davis, Vickerman and Novak introduced—

S.F. No. 2318: A bill for an act relating to natural resources; recodifying groundwater law; protecting groundwater; providing a cost-share program to protect abandoned wells; identifying fragile groundwater recharge areas; providing fragile groundwater recharge areas may be placed in the conservation reserve program; identification of wells on state property; prohibiting purchase of state land without identifying wells on the property; appropriating money; amending Minnesota Statutes 1986, sections 40.036, by adding a subdivision; 40.42, by adding a subdivision; Minnesota Statutes 1987 Supplement, section 40.43, subdivision 2, and by adding a subdivision; proposing coding for new law as Minnesota Statutes, chapter 105E; repealing Minnesota Statutes 1986, sections 84.57; 84.58; 84.59; 84.60; 84.61; 84.611; 84.62; 84.621, subdivision 1; 156A.02; 156A.03; 156A.031, subdivision 1; 156A.04; 156A.05; 156A.06, subdivision 1; 156A.07, subdivisions 1, 2, 4, 5, 6, 7, 8, and 9; 156A.071; 156A.075; 156A.08; 156A.10; 156A.11; Minnesota Statutes 1987 Supplement, sections 105.416; 105.51; and 469.141.

Referred to the Committee on Environment and Natural Resources.

Mr. Taylor introduced—

S.F. No. 2319: A bill for an act relating to human services; exempting prepaid burial contracts from asset limitations; amending Minnesota Statutes 1987 Supplement, section 256B.06, subdivision 1.

Referred to the Committee on Health and Human Services.

Messrs. Anderson, Benson, Renneke, Frederick and Mehrkens introduced—

S.F. No. 2320: A bill for an act relating to traffic regulations; allowing pickup trucks to pull two trailers of hay under certain conditions; amending Minnesota Statutes 1986, section 169.81, subdivision 10.

Referred to the Committee on Transportation.

Mr. Spear introduced—

S.F. No. 2321: A bill for an act proposing an amendment to the Minnesota Constitution, article I, section 4; providing for six-member juries in non-felony cases; conforming statutes to either the approval or rejection of the proposed amendment.

Referred to the Committee on Judiciary.

Messrs. Davis, Morse, Beckman and Vickerman introduced—

S.F. No. 2322: A bill for an act relating to agriculture; appropriating money for beginning farmer educational programs.

Referred to the Committee on Education.

Messrs. Wegscheid and Solon introduced—

S.F. No. 2323: A bill for an act relating to financial institutions; authorizing certain investments for banks; amending Minnesota Statutes 1986, sections 48.152, subdivision 10; 48.24, subdivision 5; and 48.61, by adding a subdivision.

Referred to the Committee on Commerce.

Messrs. Davis and Merriam introduced—

S.F. No. 2324: A bill for an act relating to agriculture; appropriating money for bluegrass seed and turf production.

Referred to the Committee on Agriculture.

Messrs. Davis, Morse, Beckman and Vickerman introduced—

S.F. No. 2325: A bill for an act relating to agriculture; appropriating money to collect and disseminate materials on soil and water stewardship for use in primary and secondary school curricula.

Referred to the Committee on Agriculture.

Messrs. Davis, Morse and Vickerman introduced—

S.F. No. 2326: A bill for an act relating to agriculture; authorizing designation of additional seed certification agencies; amending Minnesota Statutes 1986, section 21.91, subdivision 1.

Referred to the Committee on Agriculture.

Messrs. Davis, Morse, Beckman and Vickerman introduced—

S.F. No. 2327: A bill for an act relating to agriculture; appropriating money for sustainable agriculture; repealing Laws 1987, chapter 396, article 12, section 6, subdivision 2.

Referred to the Committee on Agriculture.

Messrs. Davis, Morse and Beckman introduced—

S.F. No. 2328: A bill for an act relating to agriculture; requiring certain entities with interests in agricultural lands or operations to file reports; providing a penalty; requiring study and report to the legislature; amending Minnesota Statutes 1986, section 500.24, subdivision 4.

Referred to the Committee on Agriculture.

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

S.F. No. 2329: A bill for an act relating to corporations; applying the control share acquisition and business combination provisions of state law to certain issuing public corporations; amending Minnesota Statutes 1987 Supplement, sections 302A.671, subdivision 1; and 302A.673, subdivision 3.

Referred to the Committee on Judiciary.

Messrs. Vickerman and Wegscheid introduced—

S.F. No. 2330: A bill for an act relating to workers' compensation; modifying definitions of daily and weekly wage; defining spendable weekly earnings; changing the basis for calculating indemnity benefits; clarifying availability of temporary partial benefit; limiting eligibility for permanent total compensation; limiting eligibility for subsequent disability benefits; changing eligibility for and amount of supplementary benefits; delaying cost of living adjustments; regulating workers' compensation insurers; amending Minnesota Statutes 1986, sections 79.074, by adding a subdivision; 79.252, by adding a subdivision; 176.011, subdivisions 3, 18, and by adding a subdivision; 176.081, subdivision 7; 176.101, subdivisions 1, 2, 3a, 3e, 3h, 3j, 3k, 3l, 3n, 3p, 4, and 5; 176.105, subdivision 1; 176.132, subdivisions 1, 2, and 3; 176.261; 176.645, subdivision 2; Minnesota Statutes 1987 Supplement, section 176.131, subdivision 8; proposing coding for new law in Minnesota Statutes, chapter 79; repealing Minnesota Statutes 1986, sections 79.50 to 79.62; 176.101, subdivision 6.

Referred to the Committee on Employment.

Messrs. Frederickson, D.J.; Davis; Jude and Berg introduced—

S.F. No. 2331: A bill for an act relating to workers' compensation; modifying definitions of daily and weekly wage; defining spendable weekly earnings; changing the basis for calculating indemnity benefits; clarifying availability of temporary partial benefit; limiting eligibility for permanent total compensation; limiting eligibility for subsequent disability benefits; changing eligibility for and amount of supplementary benefits; delaying cost of living adjustments; regulating workers' compensation insurers; amending Minnesota Statutes 1986, sections 79.074, by adding a subdivision; 79.252, by adding a subdivision; 176.011, subdivisions 3, 18, and

by adding a subdivision; 176.081, subdivision 7; 176.101, subdivisions 1, 2, 3a, 3e, 3h, 3j, 3k, 3l, 3n, 3p, 4, and 5; 176.105, subdivision 1; 176.132, subdivisions 1, 2, and 3; 176.261; 176.645, subdivision 2; Minnesota Statutes 1987 Supplement, section 176.131, subdivision 8; proposing coding for new law in Minnesota Statutes, chapter 79; repealing Minnesota Statutes 1986, sections 79.50 to 79.62; 176.101, subdivision 6.

Referred to the Committee on Employment.

Messrs. Morse, Beckman, DeCramer and Pehler introduced—

S.F. No. 2332: A bill for an act relating to workers' compensation; modifying definitions of daily and weekly wage; defining spendable weekly earnings; changing the basis for calculating indemnity benefits; clarifying availability of temporary partial benefit; limiting eligibility for permanent total compensation; limiting eligibility for subsequent disability benefits; changing eligibility for and amount of supplementary benefits; delaying cost of living adjustments; regulating workers' compensation insurers; amending Minnesota Statutes 1986, sections 79.074, by adding a subdivision; 79.252, by adding a subdivision; 176.011, subdivisions 3, 18, and by adding a subdivision; 176.081, subdivision 7; 176.101, subdivisions 1, 2, 3a, 3e, 3h, 3j, 3k, 3l, 3n, 3p, 4, and 5; 176.105, subdivision 1; 176.132, subdivisions 1, 2, and 3; 176.261; 176.645, subdivision 2; Minnesota Statutes 1987 Supplement, section 176.131, subdivision 8; proposing coding for new law in Minnesota Statutes, chapter 79; repealing Minnesota Statutes 1986, sections 79.50 to 79.62; 176.101, subdivision 6.

Referred to the Committee on Employment.

Messrs. Langseth, Stumpf, Purfeerst, Ms. Piper and Mr. Lessard introduced—

S.F. No. 2333: A bill for an act relating to workers' compensation; modifying definitions of daily and weekly wage; defining spendable weekly earnings; changing the basis for calculating indemnity benefits; clarifying availability of temporary partial benefit; limiting eligibility for permanent total compensation; limiting eligibility for subsequent disability benefits; changing eligibility for and amount of supplementary benefits; delaying cost of living adjustments; regulating workers' compensation insurers; amending Minnesota Statutes 1986, sections 79.074, by adding a subdivision; 79.252, by adding a subdivision; 176.011, subdivisions 3, 18, and by adding a subdivision; 176.081, subdivision 7; 176.101, subdivisions 1, 2, 3a, 3e, 3h, 3j, 3k, 3l, 3n, 3p, 4, and 5; 176.105, subdivision 1; 176.132, subdivisions 1, 2, and 3; 176.261; 176.645, subdivision 2; Minnesota Statutes 1987 Supplement, section 176.131, subdivision 8; proposing coding for new law in Minnesota Statutes, chapter 79; repealing Minnesota Statutes 1986, sections 79.50 to 79.62; 176.101, subdivision 6.

Referred to the Committee on Employment.

Ms. Peterson, D.C. introduced—

S.F. No. 2334: A bill for an act relating to adoption; allowing the court to classify addresses and telephone numbers as private in certain cases; amending Minnesota Statutes 1986, section 259.26, by adding a subdivision.

Referred to the Committee on Judiciary.

Mr. Freeman introduced—

S.F. No. 2335: A bill for an act relating to statutes of limitation; regulating certain actions involving asbestos; amending Minnesota Statutes 1987 Supplement, section 541.22, subdivision 2.

Referred to the Committee on Judiciary.

Mr. Pogemiller, Ms. Berglin, Mr. Freeman and Ms. Piper introduced—

S.F. No. 2336: A bill for an act relating to health; establishing the Minnesota Institute for Addiction and Stress Research; proposing coding for new law as Minnesota Statutes, chapter 152A.

Referred to the Committee on Health and Human Services.

Messrs. Vickerman, Wegscheid and Purfeerst introduced—

S.F. No. 2337: A bill for an act proposing an amendment to the Minnesota Constitution, article XIII, section 5; providing for a state-operated lottery with net proceeds allocated to environmental and economic development funds.

Referred to the Committee on General Legislation and Public Gaming.

Mr. Marty introduced—

S.F. No. 2338: A bill for an act relating to crimes; prescribing the penalty of murder in the first degree for the new crime of causing the death of a child while committing child abuse; amending Minnesota Statutes 1986, section 609.185.

Referred to the Committee on Judiciary.

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

S.F. No. 2339: A bill for an act relating to taxation; requiring recomputation of certain corporate taxes; providing for purchase of health insurance policies for certain employees; appropriating money; amending Minnesota Statutes 1986, section 290.34, by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

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

S.F. No. 2340: A bill for an act relating to minerals; authorizing the commissioner of natural resources to lease certain severed mineral interests; amending Minnesota Statutes 1986, section 93.55, subdivisions 1, 3, and by adding a subdivision.

Referred to the Committee on Environment and Natural Resources.

Ms. Olson introduced—

S.F. No. 2341: A bill for an act relating to elections; providing for the election of Hennepin county park reserve district board members; amending Minnesota Statutes 1986, sections 383B.68, subdivisions 1, 3, and 4; and 383B.69; repealing Minnesota Statutes 1986, section 383B.68, subdivision 2.

Referred to the Committee on Elections and Ethics.

Messrs. Peterson, R.W.; Merriam and Bernhagen introduced—

S.F. No. 2342: A bill for an act relating to education; establishing revenue for school facilities used primarily for instructional purposes; proposing coding for new law in Minnesota Statutes, chapter 124.

Referred to the Committee on Education.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:30 p.m., Friday, March 4, 1988. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

SIXTY-FOURTH DAY

St. Paul, Minnesota, Friday, March 4, 1988

The Senate met at 12:30 p.m. and was called to order by the President.

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rev. M.E. Sandness.

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

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

The President declared a quorum present.

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

MEMBERS EXCUSED

Mrs. McQuaid, Messrs. Bernhagen, Gustafson and Schmitz were excused from the Session of today.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 2056.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 3, 1988

FIRST READING OF HOUSE BILLS

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

H.F. No. 2056: A bill for an act relating to state lands; requiring corrective deed to be issued to Basilica of St. Mary of Minneapolis for state lands authorized to be conveyed to Basilica of St. Mary's, Inc.

Referred to the Committee on Transportation.

REPORTS OF COMMITTEES

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

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

S.F. No. 1936: A bill for an act relating to agriculture; adding members to the state agricultural society; amending Minnesota Statutes 1986, section 37.03, subdivision 1.

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

Mr. Pehler from the Committee on Education, to which was referred

S.F. No. 1616: A bill for an act relating to education; approving a capital loan; directing the commissioner of finance to issue bonds to make the loan to independent school district No. 637, Redwood Falls.

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

Page 1, line 9, after "of" insert "*not more than*"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Pehler from the Committee on Education, to which was referred

S.F. No. 1929: A bill for an act relating to education; approving a capital loan; directing the commissioner of finance to issue bonds to make the loan to independent school district No. 738, Holdingford.

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

Page 1, line 9, after "of" insert "*not more than*"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Hughes from the Committee on Elections and Ethics, to which was referred

S.F. No. 1780: A bill for an act relating to elections; clarifying certain public campaign financing limits; amending Minnesota Statutes 1986, section 10A.25, subdivision 10; Minnesota Statutes 1987 Supplement, sections 10A.255, subdivision 1; 10A.32, subdivision 3; repealing Minnesota Statutes 1986, section 10A.32, subdivision 3b.

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

Page 2, lines 25 to 27, reinstate the stricken language

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted: Report adopted.

Mr. Hughes from the Committee on Elections and Ethics, to which was referred

S.F No. 1826: A bill for an act relating to counties; providing for elections to fill certain vacancies; amending Minnesota Statutes 1986, section 375.08.

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

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1986, section 375.08, is amended to read:

375.08 [BOARD TO FILL VACANCIES IN COUNTY OFFICES.]

When a vacancy occurs in the office of county auditor, county treasurer, county recorder, sheriff, county attorney, county surveyor, or coroner, the county board shall fill it by appointment. For that purpose it shall meet at the usual place of meeting, upon one day's notice from the chair or clerk, which shall be served personally upon each member in the same manner as a district court summons. The person appointed shall give the bond and take the oath required by law, and serve ~~the remainder of the term, and~~ until a successor is elected at a general election and qualifies. *A successor shall be elected for the unexpired term at the next general election, if county officers are not ordinarily elected then and the vacancy occurs more than eight weeks before the primary preceding the election. If a vacancy occurs later, the person appointed shall serve until a successor is elected for a regular term at the next general election for county officers. The person then elected for the regular term shall also serve the remainder of the unexpired term.* When a vacancy occurs in an office that has a chief deputy or first assistant, the chief deputy or first assistant may perform all the duties and functions of the office until it is filled by appointment by the county board.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective for appointments made after January 1, 1989.”

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

Mr. Hughes from the Committee on Elections and Ethics, to which was referred

S.F No. 2021: A bill for an act relating to elections; providing for accounting for certain contributions; suspending public subsidy expenditure limits under certain circumstances; amending Minnesota Statutes 1986, sections 10A.15, by adding a subdivision; and 10A.25, subdivision 10.

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

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

S.F. No. 1816: A bill for an act relating to probate; providing for adult health care decisions; imposing penalties; proposing coding for new law as Minnesota Statutes, chapter 145B.

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

Page 2, delete lines 21 to 25 and insert:

"Subd. 2. [REQUIREMENTS.] A declaration is effective only if it is signed by the declarant and two witnesses, a notary public, or a physician. If the"

Page 3, delete lines 1 to 6

Page 3, line 10, delete "must" and insert "should"

Page 3, line 23, delete everything after "wishes"

Page 3, line 24, delete everything before the period

Page 3, line 34, after "the" insert "same" and after "right" insert "as you have"

Page 6, line 14, before "I" insert "To the best of my knowledge,"

Page 6, line 27, delete "to the extent" and insert "if"

Page 6, line 28, before the period, insert "of informed consent"

Page 9, line 19, delete "a misdemeanor" and insert "aggravated forgery under section 609.625, subdivision 1"

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

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

S.F. No. 1897: A bill for an act relating to watershed districts; setting the limit on certain borrowing authority; amending Minnesota Statutes 1987 Supplement, section 112.43, subdivision 1.

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

Page 3, after line 25, insert:

"Sec. 2. Minnesota Statutes 1987 Supplement, section 112.65, subdivision 2, is amended to read:

Subd. 2. [CONSTRUCTION OR IMPROVEMENT.] Construction of new drainage systems or improvements of existing drainage systems in the district must be initiated by filing a petition with the managers. In all proceedings for the construction or improvement of existing drainage systems in the district, the managers shall conform to ~~section 112.49~~ chapter 106A."

Amend the title as follows:

Page 1, line 4, delete "section" and insert "sections"

Page 1, line 5, after "1" insert "; and 112.65, subdivision 2"

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

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

S.F. No. 1742: A bill for an act relating to agriculture; clarifying a time-price offer; allowing a preceding former owner to convey the right to receive an offer to buy or lease previously owned agricultural land; restricting the sale or inducement of a sale of agricultural land by a preceding former owner accepting an offer for one year; providing penalties and liability for damages; restricting the period for a debtor to receive a copy of a forbearance policy; amending Minnesota Statutes 1987 Supplement, sections 500.24, subdivisions 6 and 7; and 583.24, subdivision 4.

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

Page 2, line 22, after the period, insert "*An equivalent cash offer is not required to be made if the state participates in an offer to a third party through the rural finance administration.*"

Page 4, line 32, delete "*conveyance*" and insert "*an express statement conveying the right*"

Page 5, delete lines 3 to 11 and insert:

"(1) An immediately preceding former owner may not sell agricultural land acquired by accepting an offer under this subdivision if the arrangement of the sale was negotiated or agreed to prior to the former owner accepting the offer under this subdivision. A person who sells property in violation of this paragraph is liable for treble damages plus court costs and attorney fees, to a person who is damaged by a sale in violation of this paragraph. There is a rebuttable presumption that a sale by an immediately preceding former owner is in violation of this paragraph if the sale takes place within 180 days of the former owner accepting the offer under this subdivision. This paragraph does not apply to a sale by an immediately preceding former owner to the owner's spouse, the owner's parents, or the owner's children."

Page 6, delete lines 23 to 26 and insert "**UNDERSTAND THAT NEGOTIATING OR AGREEING TO AN ARRANGEMENT TO SELL THE AGRICULTURAL LAND TO ANOTHER PERSON PRIOR TO ACCEPTING THIS OFFER IS A VIOLATION OF LAW AND I MAY BE LIABLE TO A PERSON DAMAGED BY THE SALE.**"

Page 8, line 17, reinstate the stricken language and delete the new language

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

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

S.F. No. 2129: A bill for an act relating to agriculture; renaming the department of agriculture to the department of agriculture and food; authorizing distinction of and expanded use of the Minnesota grown label; establishing certification of soil testing laboratories; requiring real dairy products to be offered where artificial dairy products are served; appropriating money; amending Minnesota Statutes 1986, section 17.01; Minnesota Statutes 1987 Supplement, section 17.102, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 17 and 32; repealing Minnesota Statutes 1986, section 17.013.

Reports the same back with the recommendation that the bill be amended

as follows:

Page 2, line 22, delete "up to five"

Page 3, after line 18, insert:

"(d) The commissioner may conduct check samples on laboratories that are not certified."

Page 3, delete lines 25 to 36 and insert:

"If a certified laboratory offers a recommendation, the University of Minnesota college of agriculture recommendation must be offered in addition to other recommendations, if any. If relative levels are presented to classify the analytical results, the corresponding relative levels based on the analysis as designated by the University of Minnesota college of agriculture must also be presented."

Page 4, delete lines 1 to 6

Renumber the subdivisions in sequence

Page 4, line 30, after "laboratories" insert "doing business"

Page 5, line 22, after "redeemable" insert "for food identified with a Minnesota grown logo or labeling statement"

Page 6, line 2, after "pesticides" insert "and nonchemical controls"

Page 6, line 4, delete "two" and insert "six"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 1900: A bill for an act relating to the metropolitan airports commission; setting the borrowing authority of the commission; amending Minnesota Statutes 1986, section 473.667, subdivision 2.

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

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 1858: A bill for an act relating to local improvements; special assessments; authorizing towns to make certain improvements; amending Minnesota Statutes 1986, section 429.011, subdivision 2b.

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

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

H.F. No. 1277: A bill for an act relating to transportation; providing for state park road account funds to be used for lake access roads; amending Minnesota Statutes 1986, section 162.06, subdivision 5.

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

Page 1, line 24, delete "*notwithstanding any law to the contrary,*"

Page 2, line 26, delete "1987" and insert "1988"

And when so amended the bill do pass and be re-referred to the Committee on Environment and Natural Resources. Amendments adopted. Report adopted.

Mr. Pehler from the Committee on Education, to which was referred

S.F. No. 2137: A bill for an act relating to education; modifying certain requirements relating to school health services; amending Minnesota Statutes 1986, section 123.35, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 126; repealing Minnesota Statutes 1987 Supplement, sections 123.35, subdivision 16; and 126.201.

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

Page 1, delete lines 15 to 19

Page 1, line 20, delete "(c)" and insert "(b)"

Page 1, line 23, delete from "It" to page 1, line 25, " year."

Page 2, delete lines 2 to 5 and insert:

"(2) contract with a public or private health or health-related organization or another public agency for services during the regular school year, determined appropriate by the board, that are provided by personnel who are currently licensed under chapter 148 and who are certified public health nurses; or"

Page 2, line 14, delete "verbal" and insert "oral" and delete "A" and insert "An"

Page 2, line 15, delete "verbal" and insert "oral"

Page 2, line 16, delete "a verbal" and insert "an oral"

Page 2, line 29, delete "or"

Page 2, delete lines 30 to 32 and insert:

*"(6) that are used in connection with athletics or extra curricular activities;
(7) that are used in connection with activities that occur before or after the regular school day; or*

(8) that are provided or administered by a public health agency in order to prevent or control an illness or a disease outbreak as provided for in sections 144.05 and 144.12."

Page 3, lines 13 and 16, delete "123.35, subdivision 17" and insert "1"

Page 3, delete lines 25 to 29 and insert:

"Minnesota Statutes 1987 Supplement, section 126.201, is repealed the day following final enactment. Minnesota Statutes 1987 Supplement, section 123.35, subdivision 16, is repealed August 1, 1988."

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

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 1731: A bill for an act relating to the environment; designating the Willard Munger Trail; amending Minnesota Statutes 1986, section 85.015, subdivision 11.

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

Page 1, delete section 2

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

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 1701: A bill for an act relating to natural resources; designating the fossil of the *castoroides ohioensis* as the state fossil; proposing coding for new law in Minnesota Statutes, chapter 1.

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

Page 1, line 9, after the second "the" insert "giant beaver,"

Page 1, line 10, after "ohioensis" insert a comma

Amend the title as follows:

Page 1, line 3, after the first "the" insert "giant beaver," and after "ohioensis" insert a comma

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

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 1698: A bill for an act relating to watercraft; requiring lifesaving devices in duck boats; amending Minnesota Statutes 1986, section 361.141, subdivision 1.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 361.141, subdivision 1, is amended to read:

Subdivision 1. [PERSONAL FLOTATION OR LIFESAVING DEVICES.] Watercraft *and duck boats* using the waters of this state shall be equipped with the number and type of personal flotation or lifesaving devices prescribed by the commissioner. The commissioner shall not require sailboards to be equipped with personal flotation or lifesaving devices. Nor shall the commissioner require persons on sailboards to wear those devices or have them readily available."

Amend the title as follows:

Page 1, line 4, delete "subdivison" and insert "subdivision"

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

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 1691: A bill for an act relating to natural resources; allowing aeration of public waters without public access or public riparian landowners without a permit; requiring the aeration to be posted; amending Minnesota Statutes 1986, section 378.22, by adding a subdivision; and Minnesota Statutes 1987 Supplement, section 378.22, subdivision 2.

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

Page 2, delete lines 1 to 7 and insert "*Notwithstanding section 105.42, a riparian landowner may aerate public waters without a permit if the public waters do not have a public access and the person aerating the public waters owns all of the riparian land or all of the possessory rights to the riparian lands.*

(b) The provisions of this section do not apply to the aeration under this subdivision except the public waters must be posted as provided under subdivision 2, paragraphs (a) and (c)."

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

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 890: A bill for an act relating to wild animals; use of dogs in taking bear; amending Minnesota Statutes 1986, section 97B.205.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 97A.401, is amended by adding a subdivision to read:

Subd. 8. [BEAR DOG PERMITS.] (a) The commissioner shall issue permits for a resident to take bear with dogs.

(b) A resident may apply for a permit on a form prescribed by the commissioner that requires:

(1) the name of the applicant;

(2) the applicant's driver's license number;

(3) the bear hunting license number under which the applicant will be taking bear;

(4) up to ten dogs to be covered by the permit; and

(5) documentation that each dog to be covered under the permit is immunized and licensed.

(c) The permit is renewable annually and must state that the resident to whom the permit is issued may not run more than six dogs at one time.

(d) *The commissioner shall charge a \$10 fee for a permit for a resident to take bear with dogs.*

(e) *Permits may only be issued in 1988 and 1989.*

Sec. 2. Minnesota Statutes 1986, section 97B.011, is amended to read:
97B.011 [DOGS PURSUING BIG GAME.]

Except for dogs pursuing bear during the open season under a permit from the commissioner, or during a dog training season prescribed by the commissioner, a dog that is known to have killed or is observed wounding, killing, or pursuing in a manner that endangers big game may be killed by a peace officer or conservation officer, or, between January 1 and July 14, by any person. The officer or person is not liable for damages for killing the dog.

Sec. 3. Minnesota Statutes 1986, section 97B.205, is amended to read:
97B.205 [USE OF DOGS AND HORSES TO TAKE BIG GAME PROHIBITED.]

A person may not use a dog or horse to take big game, except dogs may be used to take bear during the open season for bear under section 4.

Sec. 4. [97B.427] [TAKING BEAR WITH DOGS.]

(a) *Except for the first week of bear season, a person with a permit from the commissioner may take bear with up to six dogs if the person with the permit has a license to take bear.*

(b) *The taking of bear with dogs is only allowed in 1988 and 1989."*

Delete the title and insert:

"A bill for an act relating to game and fish; experimental season allowing persons to take bears with dogs; requiring permit for persons to take bears with dogs; amending Minnesota Statutes 1986, sections 97A.401, by adding a subdivision; 97B.011; and 97B.205; proposing coding for new law in Minnesota Statutes, chapter 97B."

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

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 1573: A bill for an act relating to game and fish; removing an age minimum from the law governing issuance of turkey licenses; amending Minnesota Statutes 1986, section 97A.435, subdivision 2.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 97A.435, subdivision 2, is amended to read:

Subd. 2. [ELIGIBILITY.] Persons eligible for a turkey license shall be determined by this section and commissioner's order. A person is eligible for a turkey license only if the person is a resident and at least age 16 before the season opens *or possesses a firearms safety certificate.*

Sec. 2. Minnesota Statutes 1987 Supplement, section 97B.035, subdivision 1, is amended to read:

Subdivision 1. [HUNTING WITH BOWS RELEASED BY MECHANICAL DEVICES.] (a) A person may not hunt with a bow drawn, held, or released by a mechanical device, except with a disabled hunter permit issued under section 97B.315 or section 4 or as provided in paragraph (b).

(b) A person may use a mechanical device attached to the bowstring if the person's own strength draws, holds, and releases the bowstring.

Sec. 3. Minnesota Statutes 1987 Supplement, section 97B.315, is amended to read:

97B.315 [CROSSBOW PERMITS.]

The commissioner may issue a special permit, without a fee, to take deer with a crossbow to a person that is unable to hunt in another manner by archery because of a permanent physical disability. The disability, established by medical evidence, and the inability to hunt in another manner by archery must be verified in writing by a licensed physician. The person must obtain an archery deer license. The crossbow must:

- (1) be fired from the shoulder;
- (2) deliver at least 42 foot-pounds of energy at a distance of ten feet;
- (3) have a stock at least 30 inches long;
- (4) have a working safety; and
- (5) be used with arrows or bolts at least ten inches long with a broadhead.

Sec. 4. [97B.603] [CROSSBOW PERMITS.]

The commissioner may issue a special permit, without a fee, to take small game except waterfowl with a crossbow to a person that is unable to hunt by archery because of a permanent physical disability. The disability, established by medical evidence, and the inability to hunt in another manner must be verified in writing by a licensed physician. The person must obtain a small game license. The crossbow must:

- (1) be fired from the shoulder;*
- (2) deliver at least 42 foot-pounds of energy at a distance of ten feet;*
- (3) have a stock at least 30 inches long;*
- (4) have a working safety; and*
- (5) be used with arrows or bolts at least ten inches long with a broadhead.*

Sec. 5. [97B.723] [HUNTERS UNDER AGE 16.]

A person under age 16 must be accompanied by an adult to take turkeys.

Sec. 6. [EFFECTIVE DATE.]

Sections 2 to 5 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to game and fish; removing an age minimum from the law governing issuance of turkey licenses; allowing physically disabled persons to use a crossbow to take small game; amending Minnesota Statutes 1986, section 97A.435, subdivision 2; Minnesota Statutes 1987

Supplement, sections 97B.035, subdivision 1; 97B.315; proposing coding for new law in Minnesota Statutes, chapter 97B.”

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

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 1912: A bill for an act relating to health and human services; requiring the commissioner of health to implement an infant formula rebate system for the W.I.C. program; requiring written materials provided to clients under programs administered or supervised by the departments of human services, health, and jobs and training to be in plain language and readable at the seventh-grade level; establishing a local income assistance grant program to increase the use of food stamps by homeless individuals; appropriating money; amending Minnesota Statutes 1986, section 145.894; proposing coding for new law in Minnesota Statutes, chapters 144, 256, and 268.

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

Delete everything after the enacting clause and insert:

“Section 1. [CITATION.]

Sections 1 to 7 may be cited as the hunger reduction act of 1988.

Sec. 2. [144.054] [PLAIN LANGUAGE IN WRITTEN MATERIALS.]

(a) To the extent feasible and consistent with the goal of providing easily understandable and readable materials, all written materials relating to determinations of eligibility for or amounts of benefits that will be given to applicants for or recipients of assistance under a program administered or supervised by the commissioner of health must be understandable to a person who reads at the seventh-grade level, using the Flesch scale analysis readability score as determined under section 72C.09.

(b) All written materials relating to determinations of eligibility for or amounts of benefits that will be given to applicants for or recipients of assistance under programs administered or supervised by the commissioner of health must satisfy the plain language requirements of the plain language contract act under sections 325G.29 to 325G.36. Materials may be submitted to the attorney general for review and certification. Notwithstanding section 325G.35, subdivision 1, the attorney general shall review submitted materials to determine whether they comply with the requirements of section 325G.31. The remedies available pursuant to sections 325G.33 to 325G.36 do not apply to these materials.

(c) The requirements of this section apply to all new materials developed by the commissioner on or after October 1, 1988, and to all materials distributed by the commissioner to recipients and applicants on and after July 1, 1991. The requirements of this section do not apply to materials that must be submitted to a federal agency for approval, to the extent that application of the requirements prevents federal approval.

Sec. 3. Minnesota Statutes 1986, section 145.894, is amended to read:

145.894 [STATE COMMISSIONER OF HEALTH; DUTIES,

RESPONSIBILITIES.]

The commissioner of health shall:

(a) Develop a comprehensive state plan for the delivery of nutritional supplements to pregnant and lactating women, infants, and children;

(b) Contract with existing local public or private nonprofit organizations for the administration of the nutritional supplement program;

(c) Develop and implement a public education program promoting the provisions of sections 145.891 to 145.897, and provide for the delivery of individual and family nutrition education and counseling at project sites;

(d) Develop in cooperation with other agencies and vendors a uniform state voucher system for the delivery of nutritional supplements;

(e) *Authorize local health agencies to issue vouchers bimonthly to some or all eligible individuals served by the agency, provided the agency demonstrates that the federal minimum requirements for providing nutrition education will continue to be met and that the quality of nutrition education and health services provided by the agency will not be adversely impacted;*

(f) *Investigate and implement an infant formula cost reduction system that will reduce the cost of nutritional supplements so that by October 1, 1988, additional mothers and children will be served;*

(g) Develop, analyze and evaluate the health aspects of the nutritional supplement program and establish nutritional guidelines for the program;

~~(f)~~ (h) Apply for, administer, and annually expend at least 99 percent of available federal or private funds;

~~(g)~~ (i) Aggressively market services to eligible individuals by conducting ongoing outreach activities and by coordinating with and providing marketing materials and technical assistance to local human services and community service agencies and nonprofit service providers;

~~(h)~~ (j) Determine, on July 1 of each year, the number of pregnant women participating in each special supplemental food program for women, infants, and children (W.I.C.) and, in 1986, 1987, and 1988, at the commissioner's discretion, designate a different food program deliverer if the current deliverer fails to increase the participation of pregnant women in the program by at least ten percent over the previous year's participation rate;

~~(i)~~ (k) Promulgate all rules necessary to carry out the provisions of sections 145.891 to 145.897; and

~~(j)~~ (l) Report to the legislature by November 15 of every year on the expenditures and activities under sections 145.891 to 145.897 of the state and local health agencies for the preceding fiscal year.

Sec. 4. [256.016] [PLAIN LANGUAGE IN WRITTEN MATERIALS.]

(a) *To the extent feasible and consistent with the goal of providing easily understandable and readable materials, all written materials relating to determinations of eligibility for or amounts of benefits that will be given to applicants for or recipients of assistance under a program administered or supervised by the commissioner of human services must be understandable to a person who reads at the seventh-grade level, using the Flesch scale analysis readability score as determined under section 72C.09.*

(b) *All written materials relating to determinations of eligibility for or*

amounts of benefits that will be given to applicants for or recipients of assistance under programs administered or supervised by the commissioner of human services must satisfy the plain language requirements of the plain language contract act under sections 325G.29 to 325G.36. Materials may be submitted to the attorney general for review and certification. Notwithstanding section 325G.35, subdivision 1, the attorney general shall review submitted materials to determine whether they comply with the requirements of section 325G.31. The remedies available pursuant to sections 325G.33 to 325G.36 do not apply to these materials.

(c) The requirements of this section apply to all new materials developed by the commissioner on or after October 1, 1988, and to all materials distributed by the commissioner to recipients and applicants on and after July 1, 1991. The requirements of this section do not apply to materials that must be submitted to a federal agency for approval, to the extent that application of the requirements prevents federal approval.

Sec. 5. [268.0124] [PLAIN LANGUAGE IN WRITTEN MATERIALS.]

(a) To the extent feasible and consistent with the goal of providing easily understandable and readable materials, all written materials relating to determinations of eligibility for or amounts of benefits that will be given to applicants for or recipients of assistance under a program administered or supervised by the commissioner of jobs and training must be understandable to a person who reads at the seventh-grade level, using the Flesch scale analysis readability score as determined under section 72C.09.

(b) All written materials relating to determinations of eligibility for or amounts of benefits that will be given to applicants for or recipients of assistance under programs administered or supervised by the commissioner of jobs and training must satisfy the plain language requirements of the plain language contract act under sections 325G.29 to 325G.36. Materials may be submitted to the attorney general for review and certification. Notwithstanding section 325G.35, subdivision 1, the attorney general shall review submitted materials to determine whether they comply with the requirements of section 325G.31. The remedies available pursuant to sections 325G.33 to 325G.36 do not apply to these materials.

(c) The requirements of this section apply to all new materials developed by the commissioner on or after October 1, 1988, and to all materials distributed by the commissioner to recipients and applicants on and after July 1, 1991. The requirements of this section do not apply to materials that must be submitted to a federal agency for approval, to the extent that application of the requirements prevents federal approval.

Sec. 6. [LOCAL INCOME ASSISTANCE FROM FEDERAL FOOD STAMPS.]

To the extent of available appropriations, the commissioner of human services shall contract with community outreach programs to encourage participation in the food stamp program of seniors, farmers, veterans, unemployed workers, low-income working heads of households, battered women residing in shelters, migrant workers, families with children, and other eligible individuals who are homeless. For purposes of this section, "homeless" means that the individual lacks a fixed and regular nighttime residence or has a primary nighttime residence that is:

(1) a publicly supervised or privately operated shelter, including a welfare hotel or congregate shelter, designed to provide temporary living

accommodations;

(2) an institution that provides a temporary residence for individuals who will be institutionalized;

(3) a temporary accommodation in the residence of another individual;
or

(4) a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.

The commissioner shall seek federal money to equally match or supplement state money appropriated under section 7 for grants and contracts under this section. The commissioner shall convene an advisory committee to help establish criteria for awarding grants, to make recommendations regarding grant proposals, to assist in the development of training and educational materials, and to participate in the evaluation of grant programs. The grantees shall provide training for program workers, offer technical assistance, and prepare educational materials. Grantees must demonstrate that grants were used to increase participation in the food stamp program by creating new outreach activities, and not by replacing existing activities. No more than five percent of the appropriation for community outreach programs shall be used by the commissioner for the department's administrative costs. The rulemaking requirements of Minnesota Statutes, chapter 14, do not apply to the procedures used by the commissioner to request and evaluate grant proposals and to award grants and contracts under this section. Distribution of grant money appropriated during the 1988 legislative session must begin by October 1, 1988.

Sec. 7. [APPROPRIATIONS.]

(a) \$500,000 is appropriated from the general fund to the commissioner of health for the nutritional supplement program for women, infants, and children (W.I.C.), to be available until spent.

(b) \$250,000 is appropriated from the general fund to the commissioner of human services for the food stamp community outreach grant program established in section 6, to be available until spent.

Sec. 8. [REPEALER.]

Section 6 is repealed July 1, 1990."

Delete the title and insert:

"A bill for an act relating to health and human services; requiring the commissioner of health to implement an infant formula rebate system for the W.I.C. program; requiring written materials provided to clients under programs administered or supervised by the departments of human services, health, and jobs and training to be in plain language and readable at the seventh-grade level; establishing a local income assistance grant program to increase the use of food stamps by homeless individuals; appropriating money; amending Minnesota Statutes 1986, section 145.894; proposing coding for new law in Minnesota Statutes, chapters 144, 256, and 268."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 1869: A bill for an act relating to human services; refining the comprehensive mental health act; transferring an appropriation; amending Minnesota Statutes 1986, section 256E.12, subdivisions 1 and 2; Minnesota Statutes 1987 Supplement, sections 245.462, subdivisions 3, 4, 6, 17, 18, 19, 20, 21, 23, and 25; 245.465; 245.466, subdivisions 1, 2, and 5; 245.467, by adding subdivisions; 245.469, subdivision 2; 245.471, subdivisions 2 and 3; 245.475, subdivisions 1 and 2; 245.476, subdivision 1; 245.477; 245.478, subdivisions 1, 2, and 9; 245.479; 245.482, subdivision 2; 256B.02, subdivision 8; 256E.12, subdivision 3; and Laws 1987, chapter 403, article 2, section 34.

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

Page 1, after line 16, insert:

“Section 1. Minnesota Statutes 1987 Supplement, section 62A.152, subdivision 2, is amended to read:

Subd. 2. [MINIMUM BENEFITS.] All group policies and all group subscriber contracts providing benefits for mental or nervous disorder treatments in a hospital shall also provide coverage on the same basis as coverage for other benefits for at least 80 percent of the cost of the usual and customary charges of the first ten hours of treatment incurred over a 12-month benefit period, for mental or nervous disorder consultation, diagnosis and treatment services delivered while the insured person is not a bed patient in a hospital, and at least 75 percent of the cost of the usual and customary charges for any additional hours of treatment during the same 12-month benefit period for serious ~~and~~ or persistent mental or nervous disorders, if the services are furnished by (1) a licensed or accredited hospital, (2) a community mental health center or mental health clinic approved or licensed by the commissioner of human services or other authorized state agency, or (3) a licensed consulting psychologist licensed under the provisions of sections 148.87 to 148.98, or a psychiatrist licensed under chapter 147. Prior authorization from an accident and health insurance company, or a nonprofit health service corporation, shall be required for an extension of coverage beyond ten hours of treatment. This prior authorization must be based upon the severity of the disorder, the patient's risk of deterioration without ongoing treatment and maintenance, degree of functional impairment, and a concise treatment plan. Authorization for extended treatment may ~~not exceed~~ *be limited to* a maximum of 30 visit hours during any 12-month benefit period.

For purposes of this section, covered treatment for a minor shall include treatment for the family if family therapy is recommended by a provider listed above in item (1), (2) or (3).

For purposes of determining benefits under this section, “hours of treatment” means treatment rendered on an individual or single family basis. If treatment is rendered on a group basis, the hours of covered group treatment must be provided at a ratio of no less than two group treatment sessions to one individual treatment hour.

Sec. 2. Minnesota Statutes 1987 Supplement, section 62D.102, is amended to read:

62D.102 [MINIMUM BENEFITS.]

In addition to minimum requirements established in other sections, all group health maintenance contracts providing benefits for mental or nervous disorder treatments in a hospital shall also provide coverage for at least ten hours of treatment over a 12-month period with a copayment not to exceed the greater of \$10 or 20 percent of the applicable usual and customary charge for mental or nervous disorder consultation, diagnosis and treatment services delivered while the enrollee is not a bed patient in a hospital and at least 75 percent of the cost of the usual and customary charges for any additional hours of ambulatory mental health treatment during the same 12-month benefit period for serious ~~and~~ or persistent mental or nervous disorders.

Prior authorization may be required for an extension of coverage beyond ten hours of treatment. This prior authorization must be based upon the severity of the disorder, the patient's risk of deterioration without ongoing treatment and maintenance, degree of functional impairment, and a concise treatment plan. Authorization for extended treatment may ~~not exceed~~ *be limited to* a maximum of 30 visit hours during any 12-month benefit period.

For purposes of this section, covered treatment for a minor shall include treatment for the family if family therapy is recommended by a health maintenance organization provider.

For purposes of determining benefits under this section, "hours of treatment" means treatment rendered on an individual or single family basis. If treatment is rendered on a group basis, the hours of covered group treatment must be provided at a ratio of no less than two group treatment sessions to one individual treatment hour."

Page 2, lines 8 and 9, strike "at the mental health practitioner level," and insert "*with a bachelor's degree in one of the behavioral sciences or related fields from an accredited college or university and have at least 2,000 hours of supervised experience in the delivery of services to persons with mental illness, must be*"

Page 2, line 10, after "and" insert "*must be*"

Page 2, line 13, delete "*per*" and insert "*each*"

Page 2, line 14, after the period, insert "*Case managers with a bachelor's degree but without 2,000 hours of supervised experience in the delivery of services to persons with mental illness must complete 40 hours of training approved by the commissioner of human services in case management skills and in the characteristics and needs of persons with serious and persistent mental illness and must receive clinical supervision regarding individual service delivery from a mental health professional at least once each week until the requirement of 2,000 hours of supervised experience is met. Clinical supervision must be documented in the client record.*"

Page 3, line 19, reinstate the second stricken "or"

Page 3, lines 23 to 29, delete the new language

Page 5, line 12; strike "sections 245.461 to 245.486" and insert "*case management and community support services*"

Page 5, lines 18 and 21, delete "or"

Page 5, line 22, after "person" insert a colon

Page 5, line 33, before the period, insert “; or

(4) the person has been committed by a court as a mentally ill person under chapter 253B”

Page 7, lines 13 to 17, reinstate the stricken language

Page 7, line 30, delete the comma

Page 8, line 23, strike “and”

Page 8, lines 24 and 25, reinstate the stricken language and delete the new language

Page 8, line 25, before the period, insert “; and

(9) case management in accordance with sections 245.462, subdivision 3; 245.471; and 245.475”

Page 9, line 15, after “of” insert “emergency services.”

Page 9, line 17, delete “or” and after the second comma, insert “or regional treatment center inpatient treatment”

Page 9, line 23, delete “clients” and insert “client”

Page 9, line 34, delete “infomation” and insert “information”

Page 9, line 35, delete “actively”

Page 9, line 36, delete “inclusion of” and insert “include”

Page 10, line 1, after “information” insert “can only be released with the client’s consent.”

Page 10, line 3, delete “attempts” and insert “attempt”

Page 10, line 10, after “are” insert “specifically”

Page 10, line 15, delete “Release of” and insert “A person who releases”

Page 10, line 16, delete “15 and 16” and insert “17 and 18” and after “than” insert “those”

Page 10, line 17, delete “use of” and insert “uses” and after “than” insert “those”

Page 10, line 18, delete “15 and 16” and insert “17 and 18” and delete “may result in civil or criminal liability” and insert “is civilly or criminally liable”

Page 10, line 19, after “under” insert “the standards in”

Page 11, line 1, delete “must” and insert “shall”

Page 11, line 4, after “county” insert “who request or consent to the services”

Page 11, line 6, strike “at a minimum qualify as a mental health practitioner” and insert “meet the requirements in section 245.462, subdivision 4”

Page 12, after line 34, insert:

“Sec. 23. Minnesota Statutes 1987 Supplement, section 245.472, subdivision 2, is amended to read:

Subd. 2. [SPECIFIC REQUIREMENTS.] Providers of residential services must be licensed under applicable rules adopted by the commissioner and must be clinically supervised by a mental health professional. *Persons employed in facilities licensed under Minnesota Rules, parts 9520.0500 to 9520.0690, in the capacity of program director as of July 1, 1987, in accordance with Minnesota Rules, parts 9520.0500 to 9520.0690, may be allowed to continue providing clinical supervision within a facility for a period of four years beginning July 1, 1987, provided they continue to be employed as a program director in a facility licensed under Minnesota Rules, parts 9520.0500 to 9520.0690.*"

Page 13, line 5, delete "consents" and insert "requests services"

Page 13, lines 5 and 20, delete "14" and insert "17"

Page 13, line 27, strike "By January 1, 1989" and insert "No later than January 1, 1991"

Page 13, line 28, reinstate the stricken "shall" and delete "may"

Page 15, line 4, delete "shall" and insert "must"

Page 17, line 3, reinstate the stricken "ten" and delete "20"

Page 25, line 8, after "6" insert a comma

Page 26, line 4, reinstate the stricken "spend" and delete the new language

Page 26, line 5, after "services" insert ". according to generally accepted budgeting and accounting principles,"

Page 26, after line 17, insert:

"Sec. 39. [EFFECTIVE DATE.]

Section 38 is effective the day following final enactment."

Re-number the sections in sequence

Amend the title as follows:

Page 1, line 6, after "sections" insert "62A.152, subdivision 2; 62D.102;"

Page 1, line 10, after the first semicolon, insert "245.472; subdivision 2;"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 1988: A bill for an act relating to health; establishing a program to test infants for hemoglobinopathy; appropriating money; amending Minnesota Statutes 1986, section 144.125.

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

Page 1, line 15, strike "such"

Page 1, line 19, delete "adminstered" and insert "administered"

Page 1, line 25, strike "such" and insert "the"

Page 2, line 1, strike "such" in both places and insert "the" in both

places and strike "as may be"

Page 2, line 2, strike "state" and strike "The provisions"

Page 2, line 3, strike "of" and strike "shall" and insert "does" and strike "any" and insert "an"

Page 2, line 4, strike "thereto" and strike "such" and insert "the"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 1620: A bill for an act relating to human services; regulating payments for certain services for adults with mental retardation and related conditions; providing protection for the mentally retarded; providing for therapeutic work activities; negotiating medical assistance utilization review appeals; regulating child support; amending Minnesota Statutes 1986, section 246.56; Minnesota Statutes 1987 Supplement, sections 252.41, subdivision 7; 252.46, subdivisions 1, 2, 3, 4, 5, and 12; 252.47; 252A.111, subdivision 6; 254B.05, subdivision 1; 254B.09, subdivision 5; 256B.04, subdivision 15; and 518.64, subdivision 2.

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

Page 2, line 24, after "*services*" insert "*carried out by patients or residents. To the extent that a qualified direct care employee of a regional treatment center is available, staff services required by the contract shall be provided by that direct care employee*"

Page 7, lines 17 and 18, delete the new language and insert "*unless the commissioner determines the filming to be in the best interests of the ward. The commissioner may give written consent for filming of the ward after permitting and encouraging input by the nearest relative of the ward*"

Page 8, line 7, before "by" insert "*by the commissioner or*"

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

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 1970: A bill for an act relating to human services; exempting Indian health service facilities from rate establishment; requiring rate establishment for out-of-state hospitals; amending Minnesota Statutes 1987 Supplement, section 256.969, subdivision 3.

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

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 1391: A bill for an act relating to children; establishing a program of cultural opportunities for kids; requiring certain nonprofit organizations

to admit low-income families to events at reduced prices; amending Minnesota Statutes 1986, sections 290A.07, by adding a subdivision; 297A.25, subdivision 24; and proposing coding for new law in Minnesota Statutes, chapter 268.

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

Delete everything after the enacting clause and insert:

“Section 1. [37.235] [REDUCED ADMISSIONS.]

The society shall allow families qualified for reduced admission under section 4 to be admitted to the fairgrounds during the annual fair by paying one-half of the fees they would otherwise be charged.

Sec. 2. Minnesota Statutes 1987 Supplement, section 85.052, subdivision 3, is amended to read:

Subd. 3. [FEE FOR CERTAIN PARKING AND CAMPSITE USE.] (a) An individual using spaces in state parks under subdivision 1, clause (2), shall be charged daily rates determined and set by the commissioner in a manner and amount consistent with the type of facility provided for the accommodation of guests in a particular park and with similar facilities offered for tourist camping and similar use in the area.

(b) *The fee for special parking spurs, campgrounds for automobiles, sites for tent camping, and special auto trailer parking spaces is one-half of the fee set in paragraph (a) for families qualified for reduced admission under section 4.*

(c) *The fee for special parking spurs, campgrounds for automobiles, sites for tent camping, and special auto trailer coach parking spaces is one-half of the fee set in paragraph (a) on Sunday through Thursday of each week for:*

(1) an individual age 65 or over who is a resident of the state and who furnishes satisfactory proof of age and residence;

(2) a physically handicapped person with a motor vehicle that has special plates issued under section 168.021, subdivision 1; or

(3) a physically handicapped person who possesses a certificate issued under section 169.345, subdivision 3.

Sec. 3. Minnesota Statutes 1986, section 85A.02, subdivision 17, is amended to read:

Subd. 17. [ADDITIONAL POWERS.] The board may establish a schedule of charges for admission to or the use of the Minnesota zoological garden or any related facility. *The schedule must allow families qualified for reduced admission under section 4 to be admitted at any time by paying one-half the fees they would otherwise be charged under this section.* The board shall have a policy encouraging the admission of elementary school children at no charge when part of an organized school activity. The board may provide for the purchase, reproduction, and sale of gifts, souvenirs, publications, informational materials, food and beverages, and grant concessions for the sale of these items.

Sec. 4. [268.56] [CULTURAL OPPORTUNITIES FOR FAMILIES.]

Subdivision 1. [PROGRAM ESTABLISHED.] The commissioner shall

establish cultural opportunities for families, a program to provide low-income families with access to cultural and recreational events. The program allows families qualified for reduced admission to attend cultural and recreational events at a reduced admission cost. Reduced admissions must be available in a manner that preserves the dignity of the participating family.

Subd. 2. [DEFINITIONS.] For purposes of this section, the following words have the meanings given:

(a) "Cultural and recreational events" means events sponsored by or admission to the premises of a participating public or tax-exempt organization.

(b) "Eligible family" means a family as defined in the child care sliding fee program with at least one child under the age of 13 whose household income meets the guidelines of the low-income energy assistance program.

(c) "Family qualified for reduced admission" means at least one child under age 13 who presents a cultural opportunity coupon and who is accompanied by one or both parents, an adult relative, or other adult who regularly takes part in the life of the child.

(d) "Participating public organization" means an entity required by law to offer reduced admission to families with cultural opportunity coupons.

(e) "Participating tax-exempt organization" means an association, corporation or other group of persons that qualifies for exemption from payment of sales tax under section 297A.25, subdivision 24, and elects to participate in the cultural opportunities for families program.

(f) "Reduced admission cost" means a reduction of at least 50 percent in the cost of admission to the premises or event.

Subd. 3. [DUTIES OF COMMISSIONER.] The commissioner shall:

(1) administer the cultural opportunities for families program through the low-income energy assistance program;

(2) distribute to each agency that administers the low-income energy assistance program books of coupons allowing reduced admission to cultural and recreational events. Each coupon book must contain six coupons valid for one year. Each coupon must admit a family qualified for reduced admission to cultural or recreational events;

(3) develop a reporting form to be used by participating public and tax-exempt organizations in reporting use of cultural opportunity coupons;

(4) collect, summarize, and distribute data from the reporting forms; and

(5) prepare and submit to the legislature by January 1, 1990, a report showing use of the cultural opportunities for families program.

Subd. 4. [DUTIES OF AGENCY.] Agencies that administer the low-income energy assistance program must:

(1) publicize to clients the availability of cultural opportunity coupons;

(2) advertise the cultural opportunities for families program in places accessible to clients;

(3) distribute cultural opportunity coupons to eligible families; and

(4) inform and solicit the participation of organizations in their communities that offer cultural and recreational events.

Subd. 5. [DUTIES OF PARTICIPATING ORGANIZATIONS.] The duties of a participating organization are:

(1) to develop and implement a program for reducing the cost and increasing the accessibility of admission to the premises or events for families qualified for reduced admission; and

(2) to report annually to the commissioner on the organization's receipt of cultural opportunity coupons and the specific terms of their use.

Sec. 5. [APPROPRIATION.]

\$ is appropriated from the general fund to the commissioner of jobs and training for the purposes of section 4."

Delete the title and insert:

"A bill for an act relating to children; providing reduced fees and admissions for low-income families; establishing a program of cultural opportunities for families; requiring certain public and tax-exempt organizations to admit low-income families at reduced prices; appropriating money; amending Minnesota Statutes 1986, section 85A.02, subdivision 17; Minnesota Statutes 1987 Supplement, section 85.052, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 37 and 268."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Pehler from the Committee on Education, to which was referred

S.F. No. 1911: A bill for an act relating to education; modifying provisions related to general education revenue and foundation revenue; correcting erroneous and obsolete references and text; providing instructions to the revisor; making miscellaneous corrections to statutes and other laws; amending Minnesota Statutes 1986, sections 3.866; 120.17, subdivisions 6 and 7; 120.181; 120.80, subdivision 1; 121.151; 121.904, subdivision 5; 121.931, subdivision 5; 122.45, subdivision 3a; 122.531, subdivisions 1 and 6; 123.32, subdivision 29; 123.3514, subdivision 6; 123.933, subdivision 3; 124.15, subdivisions 5 and 6; 124.18, subdivision 2; 124.19, subdivisions 1, 3, and 6; 124.214, subdivision 2; 124.274, subdivision 1; 124.32, subdivisions 4 and 6; 124A.02, subdivision 21; 124A.03, subdivision 2; 124A.034, subdivisions 1 and 1b; 124A.035, subdivisions 2 and 4; 124A.036, subdivisions 1 and 2; 126.70, subdivision 2; 129B.40, subdivision 1; 273.138, subdivision 6; 275.125, subdivision 1; 275.128; 298.39; and 475.61, subdivision 4; Minnesota Statutes 1987 Supplement, sections 120.17, subdivisions 5a and 7a; 121.912, subdivision 1; 123.3515, subdivision 9; 124.01, subdivision 1; 124.14, subdivision 7; 124.155, subdivision 2; 124.17, subdivisions 1 and 1b; 124.195, subdivisions 8 and 9; 124.214, subdivision 3; 124.217, subdivision 1; 124.223; 124.225, subdivisions 1 and 4b; 124.245, subdivision 3b; 124.271, subdivision 7; 124.2711, subdivision 1; 124.32, subdivisions 1c, 1d, and 5; 124A.02, subdivisions 8 and 16; 124A.032; 124A.035, subdivision 5; 124A.22, subdivision 1, and by adding subdivisions; 124A.23, subdivisions 2, 3, 4, and by adding a subdivision; 124A.24; 124A.26, subdivision 2; 124A.27, subdivisions 7 and 10; 124A.30; 126.23; 126.661, subdivision 1; 126.666, subdivision 1; 126.70, subdivision 2a; 129B.39; 129B.55, subdivision 2; 136D.27; 136D.74, subdivision 2; 136D.87; 275.125, subdivisions 5e, 6e, 8c, 9, 9b, and 15; and 298.28, subdivision

4; Laws 1987, chapter 398, article 1, section 25, subdivision 3; article 1, section 26, subdivision 2; article 7, section 40, subdivision 4; article 8, section 39, subdivision 2; and article 8, section 44, subdivision 5; repealing Minnesota Statutes 1986, sections 121.904, subdivision 7; 122.531, subdivision 8; 124.245, subdivision 4; and 124A.031, subdivision 3; Minnesota Statutes 1987 Supplement, sections 121.904, subdivision 11b; 124A.02, subdivision 5a; 124A.03, subdivision 3a; and 124A.25.

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

Page 20, line 36, delete "*last*" and insert "*previous*"

Page 22, after line 5, insert:

"Sec. 27. Minnesota Statutes 1986, section 124.18, is amended by adding a subdivision to read:

Subd. 3. [TUITION AS AGREED.] Notwithstanding subdivision 2, a resident district may pay a nonresident district the amount for tuition that is agreed upon by the districts."

Pages 24 to 28, delete sections 32 and 33

Page 48, lines 11 and 15, delete "*must*" and insert "*may*"

Page 51, after line 2, insert:

"Sec. 75. Minnesota Statutes 1987 Supplement, section 129B.11, subdivision 1, is amended to read:

Subdivision 1. [PLANS; GRANT AWARDS.] The state board of education, ~~with the advice of the state curriculum advisory committee and the advisory committee on technology in education for projects involving technology,~~ shall make grants to groups of school districts to implement plans to improve education. *The board shall consult with the state curriculum advisory committee and other appropriate groups.* The board may award grants to groups of districts which submit plans that include at least the following:

- (1) program and curriculum changes which provide more learning opportunities for students;
- (2) demonstration of a local commitment to the plan and, in the case of plans utilizing technology, local financial support including public and private partnerships;
- (3) involvement of school district teaching staff in development of the plan;
- (4) demonstration that the plan is consistent with school district goals established under section 126.666; and
- (5) the structural criteria established in subdivision 2.

The board may establish additional criteria and shall establish time lines and the grant application procedure for making grants."

Page 69, after line 9, insert:

"Sec. 103. [EFFECTIVE DATES.]

Sections 8, 35, 36, 40, 61, 62, 63, 66, 84, 86, 90, 95, and 99 are effective the day following final enactment. The remaining sections are

effective July 1, 1988."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 13, after "2" insert ", and by adding a subdivision"

Page 1, line 14, delete everything after the semicolon

Page 1, line 15, delete "2;"

Page 1, line 27, delete "124.214, subdivision 3;"

Page 1, line 37, after "2a;" insert "129B.11, subdivision 1;"

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

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

S.F. No. 1662: A bill for an act relating to natural resources; defining state forest management roads; providing for the establishment, construction, administration, and maintenance of state forest management roads; dedicating a portion of gasoline and special fuels taxes to use on state forest roads; amending Minnesota Statutes 1986, sections 89.001, by adding a subdivision; 89.19; and 296.421, by adding a subdivision; Minnesota Statutes 1987 Supplement, section 296.16, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 89.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 89.001, is amended by adding a subdivision to read:

Subd. 14. "State forest management road" means a road constructed, acquired, maintained, or administered by the commissioner for the purpose of carrying out forest resource management policy as set forth in section 89.002.

Sec. 2. Minnesota Statutes 1986, section 89.19, is amended to read:

89.19 [RULES.]

The commissioner ~~shall have power to~~ *may* prescribe ~~such~~ rules governing the use of state forest lands ~~under the authority of the commissioner and state forest management roads~~, or any ~~part~~ *parts* thereof, by the public ~~or~~ *and* governing the ~~exercising~~ *exercise* by holders of leases or permits ~~upon state~~ on forest lands and state forest management roads of all their rights under ~~such~~ the leases or permits ~~as may be necessary to carry out the purposes of this chapter.~~

Sec. 3. [89.29] [STATE FOREST ROAD ACCOUNT.]

Subdivision 1. [ACCOUNT CREATED.] There is created in the state treasury a state forest road account, consisting of funds credited under section 7. Funds credited to the state forest road account are appropriated to the commissioner and remain available until expended.

Subd. 2. [EXPENDITURE.] Money in the state forest road account may be appropriated by law only for:

(1) acquisition, development, maintenance, and administration of state forest management roads under the jurisdiction of the commissioner of natural resources; and

(2) the commissioner's share of the cost of cooperative maintenance agreements made with other providers of forest roads.

Sec. 4. [89.30] [FOREST MANAGEMENT ROADS.]

Subdivision 1. [DEDICATION, INVENTORY, RECORDING.] Forest roads, bridges, and other improvements in existence on July 1, 1988, and administered under section 89.002, subdivision 3, are hereby dedicated as state forest management roads to the width of the actual use including ditches, backslopes, fills, and maintained right-of-way, unless otherwise specified in a prior easement of record. The commissioner may undedicate all or part of a state forest management road that is not needed to carry out forest resource management policy. The commissioner shall maintain and keep current an inventory listing and describing roads in which the state claims a right or property interest for state forest management road purposes. The commissioner may file for record with a county recorder or registrar of titles appropriate documents setting forth the state's interest in all or part of any state forest management road.

Subd. 2. [RIGHT-OF-WAY.] After July 1, 1988, additional rights-of-way and easements, including easements needed for drainage or slopes, may be acquired by the commissioner by purchase or gift and by condemnation for safety and/or environmental protection on existing roads and to provide access to tracts of public land larger than 1,000 acres having no access, following a public meeting in the area affected. Rights-of-way and easements shall be dedicated as state forest management roads when needed for construction, maintenance, or safety of roads.

Subd. 3. [CONSTRUCTION; MAINTENANCE.] The commissioner shall develop specifications for the design and construction of state forest management roads and shall establish maintenance schedules for forest roads consistent with their intended use.

Subd. 4. [RULES.] In promulgating rules relating to the use of state forest management roads, the commissioner may incorporate into the rules, by reference, traffic regulations contained in chapter 169.

Subd. 5. [POSTING OF MINIMUM-MAINTENANCE FOREST MANAGEMENT ROADS.] The commissioner may designate a state forest management road as a minimum-maintenance forest management road to be maintained at a level consistent with the intended use. Designation of a state forest management road as a minimum-maintenance forest management road is effective on the posting of signs, at entry points to the road and at regular intervals along the road, to the effect that the road is a minimum-maintenance forest management road and that the user travels on the road at the user's risk. Posting of the signs is prima facie evidence that adequate notice of minimum-maintenance status has been given to the public.

Subd. 6. [LIABILITY ON MINIMUM-MAINTENANCE FOREST MANAGEMENT ROADS.] The commissioner and employees of the department are not liable for any claim by a person arising on a forest management road that is not in a state forest to the same extent that they are not liable for claims that arise on roads within a state forest under the provisions of section 3.736, subdivision 3, clause (h).

Subd. 7. [CONVEYANCE OF UNNEEDED ROADS TO OTHER GOVERNMENTS.] When the commissioner undesignates a state forest management road and determines that the road is no longer needed for any state purpose, the commissioner may convey, in the manner provided in section 84.63, the state interest in the road to the United States, the state of Minnesota or any of its subdivisions, whether or not the road is on state land.

Subd. 8. [COMMISSIONER NOT A ROAD AUTHORITY UNDER HIGHWAY LAWS.] Except as otherwise provided, the commissioner is not a road authority under chapters 160 to 168, and chapters 160 to 168 do not apply to forest management roads unless specifically made applicable by law or rule promulgated in accordance with law.

Sec. 5. [89.305] [COUNTY MANAGEMENT ACCESS ROAD ACCOUNT.]

Counties may receive payments for constructing, reconstructing, and maintaining county forest access roads from funds made available through unrefunded tax paid on gasoline and special fuels used to operate vehicles on county forest roads. Counties having county forest access roads may also use these payments to study, determine, and inventory by December 31, 1989, these roads and their use by logging trucks, recreational vehicles, and other users. This amount is \$275,000 and must be paid in equal installments into the state treasury on September 30 and March 31, following each six-month period from the account established pursuant to section 7, is appropriated to the commissioner, and must be credited to a special county account administered by the commissioner, to be known as the county management access road account, and made available in the form of annual payments to counties managing forest lands administered through a county land department under the jurisdiction of a land commissioner appointed under section 282.13. These payments must be made available in the form of annual payments by January 1 of each year through the commissioner and in proportion to each county's ownership of commercial forest lands, for purposes of constructing, reconstructing, acquiring, and maintaining county management access roads, including the acquisition of rights-of-way or easements as may be needed.

Sec. 6. Minnesota Statutes 1986, section 296.16, is amended by adding a subdivision to read:

Subd. 1a. [INTENT; FOREST ROADS.] \$675,000 of the total revenue derived from the gasoline fuel tax on all gasoline and special fuel received in, produced, or brought into this state, except gasoline and special fuel used for aviation purposes, is derived from the operation of motor vehicles on state forest roads and county forest roads, and of this sum, \$400,000 is derived from motor vehicles operated on state forest roads and \$275,000 is derived from motor vehicles operated on county forest roads in this state.

Sec. 7. Minnesota Statutes 1986, section 296.421, is amended by adding a subdivision to read:

Subd. 8. [COMPUTATION AND DISTRIBUTION OF UNREFUNDED TAXES FOR FOREST ROADS.] The amount of unrefunded tax paid on gasoline and special fuel used to operate motor vehicles on forest roads, except gasoline and special fuel used for aviation purposes, is \$675,000 and must be paid in equal installments into the state treasury on September 1, 1988, and April 1, 1989, and \$400,000 is credited to the state forest

road account and \$275,000 is credited to the county management access road account.

Sec. 8. Laws 1987, chapter 404, section 22, subdivision 4, is amended to read:

Subd. 4. Forest Management

\$20,616,500 \$20,780,500

Summary by Fund

General	\$14,839,300	\$15,003,200
Con. Con.	\$ 250,000	\$ 250,000
Forest Management	\$ 5,527,200	\$ 5,527,300

The divisions of forestry and fish and wildlife must coordinate the harvesting of trees in order to ensure optimum wildlife habitat benefits and water quality of adjacent streams or lakes.

\$750,000 the first year and \$750,000 the second year are for emergency fire fighting and are not subject to transfer. If the appropriation for either year is insufficient, the appropriation for the other year is available for it. The unencumbered balance of any other appropriation from the general fund to the commissioner of natural resources remaining in the first year must not be canceled but must be transferred and added to this appropriation for the second year. No more than \$400,000 the first year and \$410,000 the second year are available for presuppression costs.

Up to \$120,000 per year from the general fund under Minnesota Statutes, section 89.04 may be used for grants to the soil and water conservation board for cost-sharing with landowners in the state forest improvement program.

\$500,000 the first year and \$500,000 the second year are for grants to counties or groups of counties for county forestry assistance programs.

The commissioners of natural resources, revenue, and transportation shall jointly study and determine the amount of unrefunded gas tax attributable to forest logging trucks *and recreational vehicles* that use forest roads *and other uses of forest roads* under the authority of the commissioner. Their findings and determinations must be reported to the chairs of the house appropriations and senate finance committees by December 1, 1988, along with proposed changes to Minnesota Statutes, section 296.421, that reflect their determinations.

Sec. 9. [STUDY AND REPORT TO LEGISLATURE.]

The commissioner of transportation shall study and determine the percentage of total revenue received from the gasoline and special fuel tax that is derived from gasoline and special fuel for the operation of motor vehicles on state forest roads and county forest roads from May 1, 1988, to April 30, 1989. The commissioner shall report the results of this study by December 31, 1989, to the transportation committees of the senate and

house of representatives.

Sec. 10. [REPEALER.]

Sections 6 and 7 are repealed.

Sec. 11. [EFFECTIVE DATE.]

Sections 1 to 7 are effective July 1, 1988. Sections 8 and 9 are effective the day following final enactment. Section 10 is effective August 31, 1989."

Amend the title as follows:

Page 1, line 8, before "and" insert "296.16, by adding a subdivision;"

Page 1, line 9, delete "Minnesota Statutes"

Page 1, delete line 10 and insert "Laws 1987, chapter 404, section 22, subdivision 4;"

And when so amended the bill do pass and be re-referred to the Committee on Environment and Natural Resources. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1790 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1790	1768				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1790 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1790 and insert the language after the enacting clause of S.F. No. 1768, the first engrossment; further, delete the title of H.F. No. 1790 and insert the title of S.F. No. 1768, the first engrossment.

And when so amended H.F. No. 1790 will be identical to S.F. No. 1768, and further recommends that H.F. No. 1790 be given its second reading and substituted for S.F. No. 1768, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1867 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
		1867	1699		

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Rule 35, together with the committee report thereon,

S.F. No. 308: A bill for an act relating to animals; providing for the return of lost animals to their owners; prohibiting transfer of certain dogs and cats for use in research; providing a penalty; amending Minnesota Statutes 1986, section 35.71.

Reports the same back with the recommendation that the report from the Committee on General Legislation and Public Gaming, shown in the Journal for February 29, 1988, be amended to read:

“the bill be amended and when so amended the bill do pass and be re-referred to the Committee on Health and Human Services”. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Rule 35, together with the committee report thereon,

S.F. No. 1595: A bill for an act relating to state agencies; returning the control of the Minnesota veterans home to the department of veterans affairs.

Reports the same back with the recommendation that the report from the Committee on Veterans, shown in the Journal for February 29, 1988, be amended to read:

“the bill be amended and when so amended the bill do pass and be re-referred to the Committee on Governmental Operations”. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which were referred for proper reference under Rule 35:

S.F. Nos. 1974 and 1955 reports the same back with the recommendation that the bills be re-referred as follows:

S.F. Nos. 1974 and 1955 to the Committee on Environment and Natural Resources.

Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Rule 35, together with the committee report thereon,

S.F. No. 1814: A bill for an act relating to judges; providing for the manner of filling vacancies in the office of judge; proposing coding for new law as Minnesota Statutes, chapter 480B.

Reports the same back with the recommendation that the report from the Committee on Judiciary, shown in the Journal for February 22, 1988, be adopted; that committee recommendation being:

"the bill be amended and when so amended the bill do pass". Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Rule 35, together with the committee report thereon,

S.F. No. 1618: A bill for an act relating to armories; increasing the limit on bonded indebtedness; amending Minnesota Statutes 1986, section 193.143.

Reports the same back with the recommendation that the report from the Committee on Veterans, shown in the Journal for February 29, 1988, be amended to read:

"the bill be amended and when so amended the bill do pass and be referred to the Committee on Finance". Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 1936, 1780, 1826, 2021, 1816, 1897, 1742, 1900, 1858, 2137, 1731, 1701, 1698, 1691, 890, 1573, 1620, 1970, 1911 and 1814 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 1790 and 1867 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Wegscheid moved that the names of Messrs. Knaak, Merriam and Pogemiller be added as co-authors to S.F. No. 1553. The motion prevailed.

Mr. Vickerman moved that his name be stricken as a co-author to S.F. No. 1769. The motion prevailed.

Ms. Reichgott moved that the name of Mr. Cohen be added as a co-author to S.F. No. 1769. The motion prevailed.

Mr. Vickerman moved that the name of Mrs. Adkins be added as a co-author to S.F. No. 2330. The motion prevailed.

Mr. Lessard moved that his name be stricken as a co-author to S.F. No. 2333. The motion prevailed.

Mr. Langseth moved that the name of Mr. Bertram be added as a co-author to S.F. No. 2333. The motion prevailed.

Mr. Cohen moved that the name of Mr. Jude be added as a co-author to S.F. No. 2253. The motion prevailed.

Ms. Olson moved that the names of Messrs. Jude and Ramstad be added as co-authors to S.F. No. 2341. The motion prevailed.

Mr. Diessner moved that S.F. No. 1846 be withdrawn from the Committee on Elections and Ethics and returned to its author. The motion prevailed.

Mr. Davis moved that S.F. No. 2322 be withdrawn from the Committee on Education and re-referred to the Committee on Agriculture. The motion prevailed.

Mr. Bertram introduced—

Senate Resolution No. 115: A Senate resolution proclaiming April 9 as American Ex-Prisoner of War Recognition Day in Minnesota.

Referred to the Committee on Rules and Administration.

Mr. Merriam moved that H.F. No. 1858 be withdrawn from the Committee on Environment and Natural Resources and re-referred to the Committee on Rules and Administration for comparison with S.F. No. 1731, now on General Orders. The motion prevailed.

Mrs. Adkins moved that H.F. No. 1850 be withdrawn from the Committee on Local and Urban Government and re-referred to the Committee on Rules and Administration for comparison with S.F. No. 1858, now on General Orders. The motion prevailed.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Mr. Bertram introduced—

S.F. No. 2343: A bill for an act relating to agriculture; requiring a study of the University of Minnesota's agricultural extension service and department of agriculture and applied economics; appropriating money.

Referred to the Committee on Agriculture.

Messrs. Beckman, Morse and Vickerman introduced—

S.F. No. 2344: A bill for an act relating to highways; designating I-90 as AMVETS memorial highway; amending Minnesota Statutes 1986, section 161.14, by adding a subdivision.

Referred to the Committee on Transportation.

Messrs. Beckman; Frederickson, D.J. and Vickerman introduced—

S.F. No. 2345: A bill for an act relating to agriculture; changing and clarifying the small business development loan portion of the agricultural resource loan guarantee program; amending Minnesota Statutes 1987 Supplement, sections 41A.02, subdivision 16; and 41A.036, by adding subdivisions.

Referred to the Committee on Economic Development and Housing.

Mr. Laidig introduced—

S.F. No. 2346: A bill for an act relating to commerce; regulating real estate appraisers; creating the real estate appraiser advisory and review board; providing for membership, compensation, powers, and duties; providing licensing and education requirements; regulating the renewal, suspension, and revocation of licenses; providing fees; providing penalties; proposing coding for new law as Minnesota Statutes, chapter 82B.

Referred to the Committee on Commerce.

Mr. Solon introduced—

S.F. No. 2347: A bill for an act relating to commerce; regulating franchises; modifying the definition of franchise to include certain royalty or residuals agreements; amending Minnesota Statutes 1986, section 80C.01, subdivision 4.

Referred to the Committee on Commerce.

Messrs. Wegscheid and Knutson introduced—

S.F. No. 2348: A bill for an act relating to health; providing for a temporary license for freestanding 24-hour emergency medical centers until permanent rules are adopted.

Referred to the Committee on Health and Human Services.

Mr. Cohen introduced—

S.F. No. 2349: A bill for an act relating to appropriations; appropriating matching funds to the Minnesota motion picture board.

Referred to the Committee on Finance.

Mr. Ramstad, Mrs. McQuaid and Ms. Olson introduced—

S.F. No. 2350: A bill for an act relating to the city of Minnetonka; excluding volunteer firefighters from membership in the public employees police and fire fund.

Referred to the Committee on Governmental Operations.

Mr. Bernhagen introduced—

S.F. No. 2351: A bill for an act relating to real property; providing for 40-year limitation on action based on an option to repurchase or other restrictions on a surface estate; amending Minnesota Statutes 1986, section 541.023, subdivision 6.

Referred to the Committee on Judiciary.

Mr. Solon introduced—

S.F. No. 2352: A bill for an act relating to alcoholic beverages; defining importers as brewers in the beer wholesaling act; amending Minnesota Statutes 1986, section 325B.01, subdivision 4.

Referred to the Committee on Commerce.

Messrs. Vickerman; Beckman; Schmitz; Frederickson, D.J. and Decker introduced—

S.F. No. 2353: A bill for an act relating to taxation; property; classifying utility property as commercial-industrial; classifying certain personal property; amending Minnesota Statutes 1986, section 273.13, by adding a subdivision; and Minnesota Statutes 1987 Supplement, section 273.13, subdivision 24.

Referred to the Committee on Taxes and Tax Laws.

Mr. Stumpf introduced—

S.F. No. 2354: A bill for an act relating to agriculture; regulating sales of anhydrous ammonia; proposing coding for new law in Minnesota Statutes, chapter 239.

Referred to the Committee on Agriculture.

Mr. Belanger introduced—

S.F. No. 2355: A bill for an act relating to the city of Bloomington; authorizing the city to expend and loan public funds for flood mitigation measures to protect residential structures.

Referred to the Committee on Local and Urban Government.

Mr. Dahl introduced—

S.F. No. 2356: A bill for an act relating to corrections; insurance; prohibiting an insurer from excluding payments for services rendered or paid by a government or correctional facility; providing the department of corrections and county agencies subrogation rights under the terms of an inmate's insurance policy for medical services rendered to the inmate; amending Minnesota Statutes 1986, section 62A.044; proposing coding for new law in Minnesota Statutes, chapter 243.

Referred to the Committee on Commerce.

Mr. Novak introduced—

S.F. No. 2357: A bill for an act relating to liquor; authorizing the city of Blaine to issue an on-sale intoxicating liquor license to the city of Blaine.

Referred to the Committee on Commerce.

Mr. Purfeerst introduced—

S.F. No. 2358: A bill for an act relating to highways; naming and designating legislative trunk highway No. 299 as Olof Hanson Drive; amending Minnesota Statutes 1986, section 161.14, by adding a subdivision.

Referred to the Committee on Transportation.

Messrs. Anderson, Decker, Frederick, Frank and Beckman introduced—

S.F. No. 2359: A bill for an act relating to taxation; changing the corporate alternative minimum tax; amending Minnesota Statutes 1987 Supplement,

section 290.092, subdivision 5; repealing Minnesota Statutes 1987 Supplement, section 290.092, subdivisions 1, 2, 3, and 4.

Referred to the Committee on Taxes and Tax Laws.

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

S.F. No. 2360: A bill for an act relating to retirement; authorizing optional Medicare coverage for certain pre-1986 public employees; providing for a special referendum; proposing coding for new law in Minnesota Statutes, chapter 355.

Referred to the Committee on Governmental Operations.

Messrs. Waldorf, Kroening, Marty and Mrs. Lantry introduced—

S.F. No. 2361: A bill for an act relating to capital improvements; providing funds for improvements at Como Park; authorizing sale of state bonds; appropriating money.

Referred to the Committee on Finance.

Mr. Beckman introduced—

S.F. No. 2362: A bill for an act relating to human services; authorizing counties to establish multidisciplinary chemical dependency prevention teams; authorizing the state planning agency to fund these teams in several counties on a demonstration basis; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 254A.

Referred to the Committee on Health and Human Services.

Mr. Samuelson introduced—

S.F. No. 2363: A bill for an act relating to civil actions; providing a sliding fee scale for contingent legal fees; proposing coding for new law in Minnesota Statutes, chapter 481.

Referred to the Committee on Judiciary.

Mr. Samuelson introduced—

S.F. No. 2364: A bill for an act relating to motor vehicles; providing that the \$10 flat tax in lieu of excise tax applies to all passenger automobiles ten or more years old; amending Minnesota Statutes 1986, section 297B.02, subdivision 2; repealing Minnesota Statutes 1986, section 297B.025.

Referred to the Committee on Transportation.

Mr. Purfeerst introduced—

S.F. No. 2365: A bill for an act relating to human services; planning for the Faribault regional center; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 246.

Referred to the Committee on Health and Human Services.

Mr. Langseth introduced—

S.F. No. 2366: A bill for an act relating to elections; clarifying prohibition against creating a precinct that lies in more than one legislative district; amending Minnesota Statutes 1987 Supplement, section 204B.14, subdivision 3.

Referred to the Committee on Elections and Ethics.

Mr. Stumpf introduced—

S.F. No. 2367: A bill for an act relating to natural resources; eliminating a diversion of game and fish license fee money; repealing Laws 1987, chapter 373, section 15.

Referred to the Committee on Environment and Natural Resources.

Mr. Chmielewski introduced—

S.F. No. 2368: A bill for an act relating to state lands; authorizing sale of certain tax-forfeited lands that border public water in Pine county.

Referred to the Committee on Environment and Natural Resources.

Mr. Johnson, D.J., by request, introduced—

S.F. No. 2369: A bill for an act relating to tax administration; recodifying and providing for the administration of certain taxes; imposing penalties; appropriating money; amending Minnesota Statutes 1986, sections 270.06; 270.07, subdivision 1; 270.65; 270.67, subdivision 2; 270.68, subdivisions 1 and 3; 270.69, subdivisions 3 and 7; 270.70, subdivisions 1, 2, and by adding a subdivision; 270.75, as amended; 290.05, subdivision 4; 290.37, subdivision 4; 290.391; 290.92, subdivision 6a; 290A.07, subdivisions 2a and 3; 291.09, subdivision 3a; 291.11, subdivision 1; 297A.03, subdivision 2; 297A.041; 297A.211, subdivision 3; and 297A.30; Minnesota Statutes 1987 Supplement, sections 290.39, subdivision 1; 290.48, subdivision 10; 290.92, subdivisions 6 and 24; 290A.06; 290A.19; 297A.18; and 297A.275; proposing coding for new law as Minnesota Statutes, chapters 270C and 289A; repealing Minnesota Statutes 1986, sections 270.07, subdivision 5; 270.08; 290.05, subdivision 5; 290.067, subdivision 5; 290.29, subdivisions 2 and 3; 290.41, subdivision 8; 290.47; 290.48, subdivisions 3, 4, 5, 7, and 8; 290.49; 290.50, as amended; 290.52; 290.521; 290.522; 290.523; 290.53, subdivisions 3, 5, 7, 8, 9, 10, and 11; 290.56, subdivisions 1 and 5; 290.57; 290.58; 290.59; 290.65; 290.93, subdivisions 9 and 11; 290.936; 290A.11, subdivisions 1, 1a, 3, and 4; 290A.111; 290A.112; 290A.12; 290A.15; 291.09, subdivisions 4a and 6; 291.131, subdivision 3; 291.15, subdivisions 1 and 3; 291.215, subdivisions 2 and 3; 291.31, subdivisions 1 and 2; 291.32; 297A.08; 297A.121; 297A.15, subdivision 3; 297A.20; 297A.27, subdivision 3; 297A.29; 297A.31; 297A.32; 297A.33, subdivisions 1, 2, 3, 4, and 5; 297A.34, subdivisions 1, 2, 3, 4, 5, 6, and 7; 297A.35; 297A.37; 297A.39, subdivisions 3, 5, 7, and 8; 297A.41; 297A.42; and 297A.44, subdivision 2; Minnesota Statutes 1987 Supplement, sections 270.10, subdivision 4; 270.651; 270.77; 290.46; 290.53, subdivisions 1, 1a, 2, 2a, 3a, and 4; 290.56, subdivisions 2, 3, and 4; 290.92, subdivisions 11, 13, 14, and 15; 290.923, subdivision 7; 290A.11, subdivision 2; 291.131, subdivisions 1, 2, 2a, and 4; and 297A.39, subdivisions 1, 2, 2a, and 4.

Referred to the Committee on Taxes and Tax Laws.

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

S.F. No. 2370: A bill for an act relating to local government; including certain parcels in a tax increment financing district located in the city of Virginia.

Referred to the Committee on Economic Development and Housing.

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

S.F. No. 2371: A bill for an act relating to agriculture; requiring a study on the feasibility of using ink with a soybean oil base for state printing.

Referred to the Committee on Agriculture.

Mr. Diessner, Mrs. Lantry and Mr. Samuelson introduced—

S.F. No. 2372: A bill for an act relating to crimes; gambling; authorizing persons to conduct gambling under certain circumstances; amending Minnesota Statutes 1986, sections 340A.410, subdivision 5; 349.31, by adding a subdivision; and 609.761; proposing coding for new law in Minnesota Statutes, chapter 349.

Referred to the Committee on General Legislation and Public Gaming.

Mr. Mehrkens, Ms. Olson, Messrs. Ramstad, Knaak and Knutson introduced—

S.F. No. 2373: A bill for an act relating to education; restoring the foundation aid program and certain categorial aid programs; providing for equity allowance; appropriating money; amending Minnesota Statutes 1986, section 124A.06, by adding a subdivision; Laws 1987, chapter 398, article 1, section 27, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 124A; repealing Minnesota Statutes 1987 Supplement, sections 124A.22 to 124A.29.

Referred to the Committee on Education.

Mr. Johnson, D.E. introduced—

S.F. No. 2374: A bill for an act relating to health; creating exceptions to the nursing home moratorium; amending Minnesota Statutes 1987 Supplement, section 144A.071, subdivision 3.

Referred to the Committee on Health and Human Services.

Mr. Dahl introduced—

S.F. No. 2375: A bill for an act relating to taxation; allowing a political contribution credit; amending Minnesota Statutes 1986, sections 10A.32, subdivision 3b; and 290.06, by adding a subdivision.

Referred to the Committee on Elections and Ethics.

Mr. Bertram introduced—

S.F. No. 2376: A resolution memorializing the Congress of the United States to reinstate diesel fuel tax exemptions for farmers and other off-road users.

Referred to the Committee on Agriculture.

Mses. Reichgott, Berglin, Messrs. DeCramer and Pehler introduced—

S.F. No. 2377: A bill for an act relating to education; appropriating money for child care at community colleges.

Referred to the Committee on Finance.

Messrs. Pogemiller; Luther; Moe, R.D.; Johnson, D.J. and Novak introduced—

S.F. No. 2378: A bill for an act relating to campaign financing; providing that a portion of the proceeds of the state elections campaign checkoff be paid to political parties; requiring transfer of amounts designated for payment to a candidate who refuses public financing to that candidate's opponent; amending Minnesota Statutes 1986, section 10A.31, subdivision 5; repealing Minnesota Statutes 1986, section 10A.32, subdivision 3b.

Referred to the Committee on Elections and Ethics.

Messrs. Frank and Kroening introduced—

S.F. No. 2379: A bill for an act relating to workers' compensation; eliminating the statutory system of workers' compensation; restoring an employer's civil liability; creating a fund to compensate employees; appropriating money.

Referred to the Committee on Employment.

Mr. Schmitz introduced—

S.F. No. 2380: A bill for an act relating to the city of Chanhassen; extending certain tax increment financing.

Referred to the Committee on Economic Development and Housing.

Messrs. Schmitz, Purfeerst and Belanger introduced—

S.F. No. 2381: A bill for an act relating to Scott county; authorizing the issuance of general obligation or revenue bonds; amending Laws 1987, chapter 285, section 1, by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

Mr. Peterson, R.W. introduced—

S.F. No. 2382: A bill for an act relating to commerce; clarifying certain procedures and fees relating to the statewide uniform commercial code computerized filing system; amending Minnesota Statutes 1987 Supplement, sections 336.9-407; 336.9-411; and 336.9-413.

Referred to the Committee on Commerce.

Messrs. Novak, Dicklich and Gustafson introduced—

S.F. No. 2383: A bill for an act relating to utilities; enabling recovery from rate payers of utility operating expenses associated with economic development activities; requiring report to the legislature; amending Minnesota Statutes 1986, sections 216B.02, by adding subdivisions; 216B.16, subdivision 8, and by adding a subdivision.

Referred to the Committee on Public Utilities and Energy.

Mr. Schmitz introduced—

S.F. No. 2384: A bill for an act relating to trade practices; providing for payment to farm implement retailer by successor in interest of the manufacturer, wholesaler, or distributor who repurchases stock and inventory; amending Minnesota Statutes 1986, sections 325E.05; and 325E.06, subdivisions 1, 4, and 5, and by adding a subdivision.

Referred to the Committee on Commerce.

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

S.F. No. 2385: A bill for an act relating to taxation; making technical corrections and administrative changes to property taxes, local government aids, and levy limits; providing for supervision and discipline of assessors; amending Minnesota Statutes 1986, sections 270.075, subdivision 2; 270.41; 270.69, subdivision 3; 273.05, subdivision 1; 273.061, subdivision 2; 273.121; 273.124, subdivision 1; 273.40; 375.192, subdivision 1; 473.167, subdivision 3, and by adding a subdivision; 473.249, subdivision 1; 473.446, by adding a subdivision; 473.711, subdivision 2, and by adding a subdivision; and 477A.015; Minnesota Statutes 1987 Supplement, sections 124A.02, subdivision 3a; 273.1102, subdivision 2; 273.1195; 273.13, subdivisions 15a, 23, and 25; 273.1397, subdivision 2; 274.01, subdivision 1; 275.07, subdivision 1; 473.446, subdivision 1; and 475.53, subdivision 4; Laws 1987, chapter 268, article 6, section 54; proposing coding for new law in Minnesota Statutes, chapter 275; repealing Minnesota Statutes 1986, sections 272.64; 273.13, subdivision 7a; and 275.49.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Kroening, Marty, Mrs. Adkins, Messrs. Freeman and Metzen introduced—

S.F. No. 2386: A bill for an act relating to metropolitan government; permitting the acquisition of certain open space property.

Referred to the Committee on Local and Urban Government.

Messrs. Dicklich; Johnson, D.J.; Kroening and Samuelson introduced—

S.F. No. 2387: A bill for an act relating to horseracing; allowing for the simulcasting of horse races under certain conditions; amending Minnesota Statutes 1986, section 240.13, by adding a subdivision.

Referred to the Committee on General Legislation and Public Gaming.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Monday, March 7, 1988. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

SIXTY-FIFTH DAY

St. Paul, Minnesota, Monday, March 7, 1988

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

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rev. LeRoy Haynes.

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

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

The President declared a quorum present.

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

MEMBERS EXCUSED

Mrs. McQuaid was excused from the Session of today. Mr. Vickerman was excused from the Session of today from 2:15 to 2:30 p.m.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted with the exception of the report on S.F. No. 335. The motion prevailed.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 1086: A bill for an act relating to commerce; permitting certain charitable trusts to dispose of certain bank assets; proposing coding for new law in Minnesota Statutes, chapter 501.

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

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 2114: A bill for an act relating to crimes; requiring a warning label on replica firearms; proposing coding for new law in Minnesota Statutes, chapter 325F

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

Page 1, line 9, delete "*made of plastic,*"

Page 1, line 10, delete everything before "*that*"

Page 1, line 17, after "*affixed*" insert "*at the time of packaging*"

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

Mr. Bertram from the Committee on Veterans, to which was referred

S.F. No. 2126: A bill for an act relating to veterans; providing for treatment of certain veterans convicted of crimes who suffer from posttraumatic stress disorder; amending Minnesota Statutes 1987 Supplement, sections 609.115, subdivision 1; and 609.135, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 609.

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

Mr. Bertram from the Committee on Veterans, to which was referred

S.F. No. 1603: A bill for an act relating to motor vehicles; providing that adjutant general may retain special national guard license plates on leaving office; amending Minnesota Statutes 1986, section 168.12, subdivision 2c.

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

Mr. Chmielewski from the Committee on Employment, to which was referred

S.F. No. 1732: A bill for an act relating to labor; regulating the labor-management committee grant program; amending Minnesota Statutes 1986, sections 179.81, subdivisions 2 and 4; 179.82; 179.83, subdivision 1; 179.84, subdivision 1; and 179.85; repealing Minnesota Statutes 1986, sections 179.83, subdivision 2; and 179.84, subdivision 2.

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

Page 3, line 8, strike "*director*" and insert "*commissioner*"

Page 4, line 5, strike everything before the second "*in*"

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

Mr. Chmielewski from the Committee on Employment, to which was referred

S.F. No. 2011: A bill for an act relating to labor; providing comparable worth compensation for certain employees in semi-independent living service, developmental achievement center, and intermediate care facility for the mentally retarded programs; authorizing a study; appropriating money.

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

Delete everything after the enacting clause and insert:

“Section 1. [COMPARABLE WORTH STUDY.]

The commissioner of the department of employee relations shall conduct or contract for a job evaluation study to determine the comparable worth value of direct care staff positions in intermediate care facilities for the mentally retarded, waived residential services, semi-independent living service programs, and developmental achievement centers that are licensed by the department of human services or by a county.

The study shall be completed and reported to the legislature by March 1, 1989.

Sec. 2. [SCOPE.]

The study must consider the wages and benefits paid to employees in the settings described in section 1, as compared to those paid in the public, private, and educational sectors. The report must make recommendations to the legislature on disparity of wages and benefits and recommend for consideration by the legislature possible methods for movement towards comparable worth wages and benefits by both the state and counties.

Sec. 3. [APPROPRIATIONS.]

\$. . . . is appropriated from the general fund to the commissioner of employee relations for the purpose of the study specified in section 1.”

Delete the title and insert:

“A bill for an act relating to labor; providing comparable worth compensation for certain employees in day activities centers, semi-independent living services, waived residential services, and intermediate care facilities for the mentally retarded; authorizing a study; appropriating money.”

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Chmielewski from the Committee on Employment, to which was referred

S.F. No. 1719: A bill for an act relating to occupational safety and health; regulating penalties for violations; amending Minnesota Statutes 1986, section 182.666, subdivisions 3, 5a, and 7; Minnesota Statutes 1987 Supplement, section 182.666, subdivisions 1, 2, 4, and 5.

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

Page 1, line 15, delete “\$20,000” and insert “\$15,000”

Page 1, line 22, delete “\$2,000” and insert “\$1,500”

Page 1, line 25, delete "\$10,000" and insert "\$15,000"

Page 2, lines 6, 17, 24, and 28, delete "\$2,000" and insert "\$1,500"

Page 2, line 30, delete "\$400" and insert "\$300"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Chmielewski from the Committee on Employment, to which was referred

S.F. No. 1442: A bill for an act relating to railroads; providing reporting and disclosure requirements for railroad acquisitions; preserving contracts between acquiring railroad carriers and shippers, governmental entities, and labor organizations; proposing coding for new law in Minnesota Statutes, chapter 222.

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

Delete everything after the enacting clause and insert:

"Section 1. [222.85] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For the purposes of sections 1 to 5, the following terms have the meanings given them in this section.

Subd. 2. [ACQUIRING CARRIER.] "Acquiring carrier" means a business entity that acquires by purchase, lease, or other device a line of railroad with the intent of operating it for the purpose of continuing the commercial transportation of goods or passengers over the line.

Subd. 3. [LABOR ORGANIZATION.] "Labor organization" has the meaning given it in the Labor-Management Reporting and Disclosure Act, United States Code, title 29, section 402, and certified under the Railway Labor Act, United States Code, title 45, sections 151 to 163.

Subd. 4. [DIVESTING CARRIER.] "Divesting carrier" means a common carrier or business entity engaged in transportation of goods by rail that divests a line of railroad by sale, lease, or other device.

Sec. 2. [222.86] [ACQUISITION REPORTING AND DISCLOSURE.]

Subdivision 1. [NOTICE OF EXEMPT TRANSACTION.] An acquiring or divesting carrier shall file a notice of intent with the office of the attorney general and with the department of transportation whenever an exempt transaction under Code of Federal Regulations, title 49, section 1150.31, is contemplated.

Subd. 2. [IDENTITY AND FINANCIAL INFORMATION.] The notice must designate the complete private or corporate identity of the acquiring carrier, the complete identity of the divesting carrier, and a thorough description of the line of railroad involved in the proposed transaction. Copies of the sale or lease contract, market and feasibility studies, and full financial information as to the acquiring carrier must be attached to the notice. All information is confidential and may not be divulged to outside parties.

Subd. 3. [APPLICABILITY TO REQUIREMENTS OF LAW.] Acquiring and divesting carriers shall attend conferences with the office of the attorney general or the department of transportation upon reasonable notice

and respond to questions and requests for information that are reasonably related or reasonably calculated to lead to information related to the issue of whether the proposed transaction is consistent with the requirements of the Interstate Commerce Act and other applicable federal and state law.

Subd. 4. [TAX CONSEQUENCES.] The acquiring and divesting carriers shall file a confidential disclosure of tax consequences with the commissioner of revenue whenever an exempt transaction under Code of Federal Regulations, title 49, section 1150.31, is contemplated. Designated representatives of the carrier shall attend conferences with the department of revenue upon reasonable notice and respond to questions and requests for information that are reasonably related or reasonably calculated to lead to information related to the revenue impact of the proposed transaction.

Sec. 3. [222.87] [PRESERVATION OF CONTRACTS AND LEGAL STATUS.]

Subdivision 1. [SHIPPING CONTRACTS.] An acquiring carrier succeeds to and is bound by the contracts, agreements, and understandings between the divesting carrier and any shipper within this state for a period equaling the stated term of the contract or six months, whichever is greater.

Subd. 2. [GOVERNMENT CONTRACTS.] An acquiring carrier succeeds to and is bound by the contracts, agreements, and understandings between the divesting carrier and the state of Minnesota and any governmental subdivision for a period equal to the stated term of the contract, agreement, or understanding or six months, whichever is greater.

Subd. 3. [CONSTRUCTION.] This section does not alter, and shall not be construed to alter, the rights of all parties to renegotiate contracts under subdivisions 1 and 2 at any time mutually agreeable.

Sec. 4. [222.88] [RIGHTS OF NONACQUIRED EMPLOYEES.]

Subdivision 1. [COMPENSATION.] Any employee of a divesting carrier requesting to be but not hired by the acquiring carrier is entitled to compensation for up to two years of retraining benefits payable as follows:

(1) tuition, fees, and books, up to \$7,500 per year, provided bills are submitted; and

(2) a living allowance of \$1,000 per month in cases where the employee is married, separated, or divorced, or \$650 per month in cases where the employee is single.

Subd. 2. [FUNDING.] The compensation required under subdivision 1 shall be jointly and equally funded by the acquiring and divesting carriers.

Sec. 5. [222.89] [PRIORITY OF HIRING ORDER.]

Any acquiring carrier under sections 1 to 4 shall give first right of hire, in seniority order, to employees of the divesting carrier in the following order of descending priorities:

(1) employees of the divesting carrier performing service in connection with the subject lines;

(2) employees of the divesting carrier displaced by the employees described in clause (1) exercising their seniority within the divesting carrier's lines; and

(3) any furloughed employee of the divesting carrier."

Delete the title and insert:

"A bill for an act relating to railroads; providing reporting and disclosure requirements for railroad acquisitions; preserving contracts between acquiring railroad carriers and shippers, governmental entities, and labor organizations; providing compensation to nonacquired employees; establishing priority order for hiring by the acquiring carrier; proposing coding for new law in Minnesota Statutes, chapter 222."

And when so amended the bill do pass and be re-referred to the Committee on Agriculture. Amendments adopted. Report adopted.

Mr. Chmielewski from the Committee on Employment, to which was referred

S.F. No. 1864: A bill for an act relating to public safety; creating division of elevator inspection in the department of labor and industry; providing for duties, powers, and fees; providing for annual, statewide, certified inspections of elevators by qualified inspectors; allowing municipalities with qualified elevator inspection programs to be exempt from state inspection; prescribing a penalty; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 183.

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

Page 2, line 6, delete "*The commissioner shall*"

Page 2, delete lines 7 to 9

Page 2, line 10, delete everything before "*The*" and delete "*may*" and insert "*is authorized to*"

Page 2, lines 18 and 30, delete "*annual*" and insert "*periodic*"

Page 2, line 26, delete "*shall*" and insert "*must*"

Page 3, line 25, delete the colon and delete "*an annual*" and insert "*a periodic*"

Amend the title as follows:

Page 1, line 5, delete "*annual*" and insert "*periodic*"

And when so amended the bill do pass and be re-referred to the Committee on Governmental Operations. Amendments adopted. Report adopted.

Mr. Chmielewski from the Committee on Employment, to which was referred

S.F. No. 2039: A bill for an act relating to employment; regulating youth employment programs; providing for compensation at the state or federal minimum wage; regulating employment contracts; amending Minnesota Statutes 1986, sections 268.31, 268.32, and 268.34.

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

Page 1, line 21, after the period, insert "*The amount spent on support services in any one fiscal year may not exceed 15 percent of the total annual appropriation for this program.*"

Page 2, line 3, after the stricken period, insert "*The maximum number*

of hours that an individual may be employed in a position supported under this program is 480 hours."

Page 2, after line 12, insert:

"Sec. 2. [268.315] [WORKER DISPLACEMENT PROHIBITED.]

Subdivision 1. [LAYOFFS; WORK REDUCTIONS.] An employer who employs a person under section 268.31 may not terminate, lay off, or reduce the working hours of an employee for the purpose of hiring a person with funds available under section 268.31.

Subd. 2. [HIRING DURING LAYOFFS.] An employer may not hire a person with funds available under section 268.31 if any other person is on layoff from the same or a substantially equivalent job."

Page 2, line 29, strike "summer"

Page 2, line 36, delete "3" and insert "4"

Re-number the sections in sequence

Amend the title as follows:

Page 1, line 6, before the period, insert "; proposing coding for new law in Minnesota Statutes, chapter 268"

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

Mr. Chmielewski from the Committee on Employment, to which was referred

S.F. No. 2117: A bill for an act relating to employment; allowing certain nonlicensed facilities to perform breath tests for alcohol; amending Minnesota Statutes 1987 Supplement, section 181.951, subdivision 1.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1987 Supplement, section 181.953, subdivision 1, is amended to read:

Subdivision 1. [USE OF LICENSED LABORATORY REQUIRED.] (a) An employer who requests or requires an employee or job applicant to undergo drug or alcohol testing shall use the services of a testing laboratory licensed by the commissioner under this subdivision.

(b) The commissioner shall adopt rules by January 1, 1988, governing:

- (1) standards for licensing, suspension, and revocation of a license;
- (2) body component samples that are appropriate for drug and alcohol testing;
- (3) procedures for taking a sample that ensure privacy to employees and job applicants to the extent practicable, consistent with preventing tampering with the sample;

(4) methods of analysis and procedures to ensure reliable drug and alcohol testing results, including standards for initial screening tests and confirmatory tests;

(5) threshold detection levels for drugs, alcohol, or their metabolites for purposes of determining a positive test result;

(6) chain-of-custody procedures to ensure proper identification, labeling, and handling of the samples being tested; and

(7) retention and storage procedures to ensure reliable results on confirmatory tests or confirmatory retests of original samples.

(c) With respect to paragraph (b), clause (4), the rules must allow testing for alcohol by breath test as an initial screening test, provided that the results are confirmed by blood analysis.

(d) The commissioner shall also grant licenses to laboratories conducting drug and alcohol testing that are located in another state, provided that either: (1) the laboratory is licensed by the other state or by a federal agency to conduct drug and alcohol testing and the other state's or federal agency's rules governing standards, methods, and procedures meet or exceed those adopted under this subdivision; or (2) the laboratory has agreed in writing with the commissioner to comply with the rules adopted under this subdivision. A laboratory licensed under this paragraph must also, as a condition of obtaining and retaining a license, agree in writing with the commissioner to comply with the other requirements for laboratories set forth in sections 181.950 to 181.954 and to be subject to the remedies set forth in section 181.956.

(e) The commissioner shall charge laboratories an annual license fee. The fee may vary depending on the number of Minnesota employee samples tested annually at a laboratory. Fee receipts must be deposited in the state treasury and credited to a special account and are appropriated to the commissioner to administer this subdivision and to purchase or lease laboratory equipment as accumulated fee receipts make equipment purchases or leases possible. Notwithstanding section 144.122, the commissioner shall set the license fee at an amount so that the total fees collected will recover the costs of administering this subdivision and allow an additional amount to be credited to the special account each year sufficient to allow the commissioner to obtain appropriate laboratory equipment for use in administering this subdivision by July 1, 1994.

Sec. 2. Minnesota Statutes 1987 Supplement, section 181.953, subdivision 2, is amended to read:

Subd. 2. [TRANSITIONAL LABORATORY REQUIREMENTS.] Before rules are adopted and licenses issued under subdivision 1, an employer may use the services of a nonlicensed testing laboratory that agrees in writing with the commissioner to comply with the following requirements:

(1) The director of the laboratory must be a full-time employee of the laboratory and must possess a doctoral or master's degree in biological or medical science and have at least three years experience in an analytical toxicology laboratory.

(2) The laboratory must be participating in and continuing to demonstrate satisfactory performance in the drug proficiency testing program of the college of American pathology or American association for clinical chemists.

(3) The drug and alcohol testing must be limited to analysis of a sample of blood or urine from the employer or job applicant subject to testing; *except that testing for alcohol may include a breath test as an initial screening test, provided that the results are confirmed by blood analysis.*

(4) The methods of analysis for drug and alcohol testing are limited to any combination of methods using immuno-chemical technology or chromatography for initial screening tests, ~~confirmed~~ *except as otherwise allowed under clause (3). Confirmation must be by gas chromatography/mass spectrometry; except that, where gas chromatography/mass spectrometry is not the scientifically accepted method of choice, the test must be confirmed by a method using some form of chromatography. Testing for alcohol may include a breath test as an initial screening test, provided that the results are confirmed by blood analysis.*

(5) The laboratory must have in writing and use laboratory chain-of-custody procedures that ensure reliable and properly handled and identified testing results.

(6) All initial screening test, confirmatory test, and confirmatory retest results must be reviewed and certified as accurate by a qualified scientist.

(7) A test report must indicate the drugs, alcohol, or their metabolites tested for and whether the test produced negative or positive test results.

(8) The laboratory must provide the commissioner with information requested by the commissioner regarding the laboratory's current operations and activities relating to drug and alcohol testing.

(9) The laboratory must agree to comply with the requirements for laboratories set forth in sections 181.950 to 181.954 and to be subject to the remedies set forth in section 181.956.

Sec. 3. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Amend the title as follows:

Page 1, delete line 5 and insert "181.953, subdivisions 1 and 2."

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

Mr. Chmielewski from the Committee on Employment, to which was referred

S.F. No. 1959: A bill for an act relating to employment; mandating a study on the effects of video display terminals; mandating a study on mandatory overtime.

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

Page 1, line 12, after "risks" insert ", if any,"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Chmielewski from the Committee on Employment, to which was referred

S.F. No. 1721: A bill for an act relating to employment agencies; regulating job listing services; regulating fees and contracts; amending Minnesota Statutes 1986, sections 184.21, subdivision 2, and by adding subdivisions; 184.37, subdivision 1; 184.38, subdivisions 3 and 5.

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

Mr. Chmielewski from the Committee on Employment, to which was referred

S.F. No. 1958: A bill for an act relating to employment; requiring breaks during the work day; amending Minnesota Statutes 1986, sections 177.32, subdivision 1; and 177.33; proposing coding for new law in Minnesota Statutes, chapter 177.

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

Delete everything after the enacting clause and insert:

"Section 1. [177.253] [MANDATORY WORK BREAKS.]

Subdivision 1. [REST BREAKS.] An employer must allow each employee adequate time from work within each four consecutive hours of work to utilize the nearest convenient restroom.

Subd. 2. [COLLECTIVE BARGAINING AGREEMENT.] Nothing in this section prohibits employers and employees from establishing rest breaks different from those provided in this section pursuant to a collective bargaining agreement.

Sec. 2. Minnesota Statutes 1986, section 177.32, subdivision 1, is amended to read:

Subdivision 1. [MISDEMEANORS.] An employer who does any of the following is guilty of a misdemeanor:

- (1) hinders or delays the commissioner in the performance of duties required under sections 177.21 to 177.35;
- (2) refuses to admit the commissioner to the place of business or employment of the employer, as required by section 177.27, subdivision 1;
- (3) repeatedly fails to make, keep, and preserve records as required by section 177.30;
- (4) falsifies any record;
- (5) refuses to make any record available, or to furnish a sworn statement of the record or any other information as required by section 177.27;
- (6) repeatedly fails to post a summary of sections 177.21 to 177.35 or a copy or summary of the applicable rules as required by section 177.31;
- (7) pays or agrees to pay wages at a rate less than the rate required under sections 177.21 to 177.35; or
- (8) *refuses to allow adequate time from work as required by section 1;*
or
- (9) *otherwise violates any provision of sections 177.21 to 177.35."*

Amend the title as follows:

Page 1, line 2, after "requiring" insert "rest"

Page 1, line 3, delete "sections" and insert "section"

Page 1, line 4, delete "and 177.33;"

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

Mr. Chmielewski from the Committee on Employment, to which was referred

S.F. No. 2142: A bill for an act relating to workers' compensation; reassigning certain administrative duties; regulating reporting of injuries and information about injuries; regulating the payment of benefits; regulating the membership of the rehabilitation review panel; regulating rehabilitation services; changing certain administrative procedures; regulating dependent benefits; prohibiting excessive treatment or medical services; providing for data privacy; amending Minnesota Statutes 1986, sections 129A.05, subdivision 2; 176.021, subdivision 3; 176.081, subdivision 1; 176.101, subdivision 3e; 176.104, subdivision 1; 176.111, subdivisions 7 and 8; 176.135, by adding a subdivision; 176.191, subdivision 3; 176.221, subdivision 9; 176.225, subdivision 5; 176.231, subdivisions 8 and 9; Minnesota Statutes 1987 Supplement, sections 176.102, subdivisions 3 and 4; 176.103, subdivision 3; 176.106, subdivisions 7 and 9; 176.131, subdivision 1; 176.135, subdivisions 1 and 6; 176.155, subdivision 1; 176.238, subdivisions 1 and 9; 176.305, subdivisions 1 and 4; repealing Minnesota Statutes 1986, sections 176.021, subdivision 3a; 176.111, subdivision 8a; and 176.136, subdivision 3.

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

Page 2, after line 13, insert:

"Sec. 2. Minnesota Statutes 1986, section 175.171, is amended to read:
175.171 [POWERS AND DUTIES, DEPARTMENT OF LABOR AND INDUSTRY.]

The department of labor and industry shall have the following powers and duties:

(1) To exercise all powers and perform all duties of the department consistent with the provisions of this chapter;

(2) To adopt reasonable and proper rules relative to the exercise of its powers and duties, and proper rules to govern its proceedings and to regulate the mode and manner of all investigations and hearings, ~~which shall not be effective until ten days after their adoption, and a copy of these rules shall be delivered to every citizen making application therefor;~~

(3) To collect, collate, and publish statistical and other information relating to the work under its jurisdiction, to keep records and to make public reports in its judgment necessary; and on or before October 1 in each even-numbered year the department shall report its doings, conclusions, and recommendations to the governor, which report shall be printed and distributed by November 15 of each even-numbered year to the legislature pursuant to section 3.195, and otherwise as the department may direct;

(4) To establish and maintain branch offices as needed for the conduct of its affairs."

Page 8, line 29, strike the first "to" and insert "*attorney, or health care provider involved in*" and strike everything after "case" and delete the new language.

Page 8, line 30, strike "chiropractors"

Page 12, line 1, after the headnote, insert "*The decision of the commissioner is final unless*"

Page 12, line 2, strike "of the commissioner may request" and insert "*requests*"

Page 12, line 7, delete "*and complete*"

Page 12, line 26, delete everything after "*appealed*" and insert "*is final for that particular claim; however, the causation determination is not binding in subsequent actions.*"

Page 12, delete line 27

Page 15, line 23, before "*If*" insert "(a)"

Page 15, after line 33, insert:

"(b) When the reasonableness and necessity of medical treatment or service is at issue, the treating health care provider must be afforded notice and opportunity to present evidence establishing the reasonableness or necessity either in person or by affidavit admissible at the conference or hearing.

Sec. 18. Minnesota Statutes 1986, section 176.136, subdivision 5, is amended to read:

Subd. 5. [PERMANENT RULES.] Where permanent rules have been adopted to implement this section, the commissioner shall annually give notice in the State Register of the 75th percentile to meet the requirements of subdivision 1. The notice shall be in lieu of the requirements of chapter 14 if the ~~75th percentile for the service data~~ meets the requirements of paragraphs (a) to (e).

(a) The data base includes at least three different providers of the service.

(b) The data base contains at least 20 billings for the service.

(c) ~~The standard deviation as a percentage of the mean of billings for the service is 50 percent or less~~ *The value of the 75th percentile is not greater than or equal to three times the value of the 25th percentile.*

(d) ~~The means of the Blue Cross and Blue Shield data base and of the department of human services data base for the service are within 20 percent of each other.~~

(e) The data is taken from the data base of Blue Cross and Blue Shield of the department of human services.

(e) If the commissioner identifies a problem with the data base such that the 75th percentile does not logically reflect the usual and customary charge, then, upon the recommendation of the medical services review board, the commissioner may eliminate the category from the rules or adjust the rate to correct the inconsistency or error."

Page 19, lines 12 and 13, delete "*medical data, benefit data, injury data, and employment*"

Page 19, line 15, reinstate the stricken "under this"

Page 19, line 16, delete "*are*" and insert "*chapter is*"

Page 19, line 18, before the period insert "*except as provided in this*

section"

Page 19, line 28, after "statistics" insert "*including statistics on individual employers and insurers*"

Page 19, line 34, delete "under" and insert "pursuant to"

Page 19, line 35, delete "under" and insert "pursuant to"

Page 19, delete line 36

Page 20, delete line 1

Page 20, line 2, delete "(4)" and insert "(3)"

Page 20, line 6, delete "(5)" and insert "(4)"

Page 20, line 8, delete "(6)" and insert "(5)"

Page 20, line 11, delete "(7)" and insert "(6)"

Page 20, line 14, delete "public" and after "proceeding" insert "under this chapter"

Page 20, line 15, delete "and" and insert "or medical"

Page 20, line 16, delete "it is" and insert "they are"

Page 20, line 17, delete "public"

Page 20, line 36, strike everything after the period

Page 21, line 1, strike everything before "The"

Page 21, line 10, reinstate the stricken language

Page 21, line 11, delete "is"

Page 21, line 20, delete "completed"

Page 22, after line 6, insert:

"Sec. 29. Minnesota Statutes 1986, section 176.451, subdivision 4, is amended to read:

Subd. 4. [MATTERS FOR DETERMINATION; JUDGMENT.] When a judge hears the application for judgment upon the award, the judge has authority to determine only the facts of the award ~~and~~, the regularity of the proceedings upon which the award is based, *interest, and attorney fees. When judgment is entered under this section, the judge shall order the employer or insurer to pay interest at the rate of 12 percent from the date of the administrative award plus reasonable attorney fees to the payer necessitated by the collection action.* The judge shall enter judgment accordingly.

Judgment shall not be entered upon an award while an appeal is pending.

Sec. 30. Minnesota Statutes 1987 Supplement, section 176.521, subdivision 1, is amended to read:

176.521 [SETTLEMENT OF CLAIMS.]

Subdivision 1. [VALIDITY.] An agreement *including a mediated agreement* between an employee or an employee's dependent and the employer or insurer to settle any claim, which is not upon appeal before the court of appeals, for compensation under this chapter is valid where it has been executed in writing and signed by the parties and intervenors in the matter,

and, where one or more of the parties is not represented by an attorney, the commissioner or a compensation judge has approved the settlement and made an award thereon. If the matter is upon appeal before the court of appeals or district court, the court of appeals or district court is the approving body. *The legislature specifically encourages the reduction of litigation through voluntary dispute resolution, including mediated agreements approved by the division under this section.*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 12, after "2;" insert "175.171;"

Page 1, line 15, after "subdivision;" insert "176.136, subdivision 5;"

Page 1, line 17, after "9;" insert "176.451, subdivision 4;"

Page 1, line 22, after "4;" insert "176.521, subdivision 1;"

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

Mr. Solon from the Committee on Commerce, to which was re-referred

S.F. No. 995: A bill for an act relating to commerce; industrial loan and thrift companies; removing a restriction on the sale and issuance of certificates of indebtedness; increasing lending limits; prescribing the qualifications of the directors of certain companies; regulated loans; specifying the loan fees and charges that may be imposed by regulated lenders; amending Minnesota Statutes 1986, sections 53.04, subdivisions 3a and 5; 53.05; 53.06; 56.12; 56.125, subdivisions 2 and 3; 56.131, subdivision 2; and 56.14.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 53.015, is amended to read:

53.015 [DEFINITIONS.]

Subdivision 1. For the purposes of this chapter, the terms defined in this section shall have the meanings given them.

Subd. 2. "~~Paid in capital~~ *Surplus*" means consideration received in excess of the par value of preferred or common stock.

Subd. 3. "~~Invested income~~ *Undivided profits*" means the net remaining funds resulting from the operation of the corporation and shall include, but not be limited to retained earnings, earned surplus, undivided profits and current earnings.

Subd. 4. "~~Donated capital~~" means ~~all funds contributed by the stockholders, other than funds received in connection with the issuance of stock, and such amounts transferred from invested income, either by declaration of a share dividend or by action of the board of directors.~~

Subd. 5. "~~Contributed capital~~" means the sum total of all funds contributed to the corporation by the stockholders and shall include, but not be limited to preferred stock, common stock, paid-in capital and donated

capital.

Subd. 6. "Appropriated reserves" means dedicated funds transferred from invested income by action of the board of directors, which dedicated funds shall otherwise be known as a capital reserve. "Capital stock" means the par value of preferred or common stock multiplied by the respective number of shares of each type of stock.

Sec. 2. Minnesota Statutes 1986, section 53.02, is amended to read:

53.02 [CAPITAL.]

No corporation shall be organized under this chapter or qualified to do business thereunder with a capital represented by shares of common stock of less than \$25,000 in cities with less than 50,000 people; \$50,000 in cities with more than 50,000 people and less than 100,000 people; and \$75,000 in cities with 100,000 people, or more, according to the last official census; each share of that common stock to have a par value of not less than \$1 per share. No corporation shall begin doing business under this chapter unless the required capital is fully paid, and unless a ~~paid-in capital~~ *surplus* of no less than ten percent of that required capital shall have also been fully paid and set up. After the required capital of a corporation organized or doing business under this chapter shall have been fully paid and a ~~paid-in surplus~~ *capital* of not less than ten percent thereof also fully paid and set up, additional capital stock in that corporation may be sold at not less than par, provided, however, that there is always maintained a ~~paid-in surplus~~ *capital* of at least ten percent of the capital of the corporation represented by shares of common stock.

Sec. 3. Minnesota Statutes 1986, section 53.03, subdivision 5, is amended to read:

Subd. 5. [PLACE OF BUSINESS.] Not more than one place of business may be maintained under any certificate of authorization issued subsequent to the enactment of Laws 1943, chapter 67, pursuant to the provisions of this chapter, but the department of commerce may issue more than one certificate of authorization to the same corporation upon compliance with all the provisions of this chapter governing an original issuance of a certificate of authorization. To the extent that previously filed applicable information remains unchanged, the applicant need not refile this information, unless requested. The filing fee for a branch application shall be \$500 and the investigation fee \$250. If a corporation has been issued more than one certificate of authorization, the corporation shall allocate a portion of ~~con-~~ *tributed capital stock* to each office for which a certificate has been issued, in order to comply with the capital requirements of sections 53.02 and 53.05, clause (2), which sections are applicable to each office and the capital allocated thereto in the same manner as if each certificate had been issued to a separate corporation. An industrial loan and thrift corporation with deposit liabilities may change one or more of its locations upon the written approval of the commissioner of commerce. A fee of \$100 must accompany each application to the commissioner for approval to change the location of an established office. An industrial loan and thrift corporation that does not sell and issue thrift certificates for investment may change one or more locations by giving 30 days' written notice to the department of commerce which shall promptly amend the certificate of authorization accordingly.

Sec. 4. Minnesota Statutes 1987 Supplement, section 53.05, is amended

to read:

53.05 [POWERS, LIMITATION.]

No industrial loan and thrift company may do any of the following:

(1) carry demand banking accounts; use the word "savings" unless the institution's investment certificates, savings accounts, and savings deposits are insured by the Federal Deposit Insurance Corporation and then only if the word is not followed by the words "and loan" in its corporate name; use the word "bank" or "banking" in its corporate name; operate as a savings bank;

(2) have outstanding at any one time certificates of indebtedness, savings accounts, and savings deposits, ~~exclusive of those held by the company, as security for loans made by it of more than seven times the sum of the contributed capital and appropriated reserves of the company until July 1, 1985, or the date an industrial loan and thrift company obtains a commitment for insurance or guarantee of accounts acceptable to the commissioner as required by section 53.10, whichever is earlier, and thereafter 15 30 times the sum of contributed capital and appropriated reserves~~ *capital stock and surplus* of the company;

(3) accept trusts, except as provided in section 47.75, subdivision 1, or act as guardian, administrator, or judicial trustee in any form;

(4) deposit any of its funds in any banking corporation, unless that corporation has been designated by vote of a majority of directors or of the executive committee present at a meeting duly called, at which a quorum was in attendance;

(5) change any allocation of capital made pursuant to section 53.03 or reduce or withdraw in any way any portion of the ~~contributed capital stock and appropriated reserves~~ *surplus* without prior written approval of the commissioner of commerce;

(6) take any instrument in which blanks are left to be filled in after execution;

(7) lend money in excess of ~~15 20 percent of the total of its contributed capital and appropriated reserves~~ *stock and surplus at all its authorized locations* to a person primarily liable. ~~"Contributed capital and appropriated reserves" means the total of the company's contributed capital and appropriated reserves at all its authorized locations. Industrial loan and thrift companies with deposit liabilities must comply with the provisions of section 48.24; or~~

If a loan has been made to a person primarily liable and payments have been made on a certificate of indebtedness securing it, the amount of the payments may be added to the limitation contained in this clause for the purpose of determining whether additional loans may be made to that person; or

(8) issue cashier's checks pursuant to section 48.151, unless and at all times the aggregate liability to all creditors on these instruments is protected by a special fund in cash or due from banks to be used solely for payment of the cashier's checks.

Sec. 5. Minnesota Statutes 1986, section 53.06, is amended to read:

53.06 [DIRECTORS, RESIDENCE.]

At least three-fourths of the directors of any industrial loan and thrift company holding a certificate that includes the right to issue thrift certificates for investment must be residents of the county in which the industrial loan and thrift company maintains its principal place of business, an adjacent county or any county in which the industrial loan and thrift company maintains a place of business pursuant to this chapter Minnesota.

Sec. 6. Minnesota Statutes 1986, section 53.08, is amended to read:

53.08 [DIVIDENDS.]

When an industrial loan and thrift company is organized under this chapter or operating thereunder, the board of directors may declare a dividend of so much of the net profits of the corporation, after providing for all expenses, reserves, interest, and taxes accrued or due from the corporation, as they shall judge expedient, but before any dividend is declared, not less than one-tenth of the net profits of the industrial loan and thrift company of the preceding half year, or for such period as is covered by the dividend, shall be carried to an invested income fund or appropriated reserves surplus until the aggregate of invested income undivided profits and appropriated reserves surplus shall amount to 20 percent of its capital represented by shares of common stock.

Sec. 7. Minnesota Statutes 1986, section 53.09, subdivision 3, is amended to read:

Subd. 3. [PENALTIES.] The penalties for violation of this chapter, or for any wrongdoing in connection therewith, shall be the same as those applied to state banks under the laws of this state. *In addition to being subject to the penalties in section 48.28, a company in violation of section 53.05, clause (2), may cure this violation in the manner provided in section 48.28.*

Sec. 8. Minnesota Statutes 1987 Supplement, section 56.12, is amended to read:

56.12 [ADVERTISING; TAKING OF SECURITY; PLACE OF BUSINESS.]

No licensee shall advertise, print, display, publish, distribute, or broadcast, or cause or permit to be advertised, printed, displayed, published, distributed, or broadcast, in any manner any statement or representation with regard to the rates, terms, or conditions for the lending of money, credit, goods, or things in action which is false, misleading, or deceptive. The commissioner may order any licensee to desist from any conduct which the commissioner shall find to be a violation of the foregoing provisions.

The commissioner may require that rates of charge, if stated by a licensee, be stated fully and clearly in such manner as the commissioner may deem necessary to prevent misunderstanding thereof by prospective borrowers. In lieu of the disclosure requirements of this section and section 56.14, a licensee may give the disclosures required by the federal Truth-in-Lending Act.

A licensee may take a lien upon real estate as security for any loan exceeding \$2,700 in principal amount made under this chapter. The provisions of sections 47.20 and 47.21 do not apply to loans made under this chapter, except as provided in this section: ~~No loan secured by a first lien on a borrower's primary residence shall be made pursuant to this section if the proceeds of the loan are used to finance the purchase of the borrower's~~

~~primary residence~~ and section 56.131, subdivision 2. If the proceeds of a loan secured by a first lien on the borrower's primary residence are used to finance the purchase of the borrower's primary residence, the loan must comply with section 47.20, unless:

(1) the proceeds of the loan are used to finance the purchase of a manufactured home; or

(2) the proceeds of the loan are used in whole or in part to satisfy the balance owed on a contract for deed.

If the proceeds of the loan are used to finance the purchase of the borrower's primary residence, the licensee shall consent to the subsequent transfer of the real estate if the existing borrower continues after transfer to be obligated for repayment of the entire remaining indebtedness. The licensee shall release the existing borrower from all obligations under the loan instruments, if the transferee (1) meets the standards of credit worthiness normally used by persons in the business of making loans, including but not limited to the ability of the transferee to make the loan payments and satisfactorily maintain the property used as collateral, and (2) executes an agreement in writing with the licensee whereby the transferee assumes the obligations of the existing borrower under the loan instruments. Any such agreement shall not affect the priority, validity or enforceability of any loan instrument. A licensee may charge a fee not in excess of one-tenth of one percent of the remaining unpaid principal balance in the event the loan is assumed by the transferee and the existing borrower continues after the transfer to be obligated for repayment of the entire assumed indebtedness. A licensee may charge a fee not in excess of one percent of the remaining unpaid principal balance in the event the remaining indebtedness is assumed by the transferee and the existing borrower is released from all obligations under the loan instruments, but in no event shall the fee exceed \$150.

A licensee making a loan under this chapter secured by a lien on real estate shall comply with the requirements of section 47.20, subdivision 8.

No licensee shall conduct the business of making loans under this chapter within any office, room, or place of business in which any other business is solicited or engaged in, or in association or conjunction therewith, if the commissioner finds that the character of the other business is such that it would facilitate evasions of this chapter or of the rules lawfully made hereunder. The commissioner may promulgate rules dealing with such other businesses.

No licensee shall transact the business or make any loan provided for by this chapter under any other name or at any other place of business than that named in the license. No licensee shall take any confession of judgment or any power of attorney. No licensee shall take any note or promise to pay that does not accurately disclose the principal amount of the loan, the time for which it is made, and the agreed rate or amount of charge, nor any instrument in which blanks are left to be filled in after execution. Nothing herein is deemed to prohibit the making of loans by mail.

Sec. 9. Minnesota Statutes 1986, section 56.131, subdivision 1, is amended to read:

Subdivision 1. [INTEREST RATES AND CHARGES.] (a) On any loan in a principal amount not exceeding \$35,000 or ten percent of a corporate licensee's ~~contributed~~ capital stock and ~~appropriated~~ reserves surplus as

defined in section 53.015, if greater, a licensee may contract for and receive interest, calculated according to the actuarial method, not exceeding the equivalent of the greater of any of the following:

(1) the total of: (i) 33 percent per year on that part of the unpaid balance of the principal amount not exceeding \$350; and (ii) 19 percent per year on that part of the unpaid balance of the principal amount exceeding \$350; or

(2) 21.75 percent per year on the unpaid balance of the principal amount.

(b) On any loan where interest has been calculated according to the method provided for in paragraph (a), clause (1), interest must be contracted for and earned as provided in that provision or at the single annual percentage rate computed to the nearest 1/100 of one percent that would earn the same total interest at maturity of the contract as would be earned by the application of the graduated rates provided in paragraph (a), clause (1), when the debt is paid according to the agreed terms and the calculations are made according to the actuarial method.

(c) Loans may be interest-bearing or precomputed.

(d) To compute time on interest-bearing and precomputed loans, including, but not limited to the calculation of interest, a day is considered 1/30 of a month when calculation is made for a fraction of a calendar month. A year is 12 calendar months. A calendar month is that period from a given date in one month to the same numbered date in the following month, and if there is no same numbered date, to the last day of the following month. When a period of time includes a whole month and a fraction of a month, the fraction of a month is considered to follow the whole month.

In the alternative, for interest-bearing loans, a licensee may charge interest at the rate of 1/365 of the agreed annual rate for each actual day elapsed.

(e) With respect to interest-bearing loans:

(1) Interest must be computed on unpaid principal balances outstanding from time to time, for the time outstanding. Each payment must be applied first to the accumulated interest and the remainder of the payment applied to the unpaid principal balance; provided however, that if the amount of the payment is insufficient to pay the accumulated interest, the unpaid interest continues to accumulate to be paid from the proceeds of subsequent payments and is not added to the principal balance.

(2) Interest must not be payable in advance or compounded. However, if part or all of the consideration for a new loan contract is the unpaid principal balance of a prior loan, then the principal amount payable under the new loan contract may include any unpaid interest which has accrued. The unpaid principal balance of a precomputed loan is the balance due after refund or credit of unearned interest as provided in paragraph (f), clause (3). The resulting loan contract is deemed a new and separate loan transaction for all purposes.

(f) With respect to precomputed loans:

(1) Loans must be repayable in substantially equal and consecutive monthly installments of principal and interest combined, except that the first installment period may be more or less than one month by not more than 15 days, and the first installment payment amount may be larger than the remaining payments by the amount of interest charged for the extra days

and must be reduced by the amount of interest for the number of days less than one month to the first installment payment; and monthly installment payment dates may be omitted to accommodate borrowers with seasonal income.

(2) Payments may be applied to the combined total of principal and precomputed interest until the loan is fully paid. Payments must be applied in the order in which they become due.

(3) When any loan contract is paid in full by cash, renewal or refinancing, or a new loan, one month or more before the final installment due date, a licensee shall refund or credit the borrower with the total of the applicable charges for all fully unexpired installment periods, as originally scheduled or as deferred, which follow the day of prepayment; if the prepayment is made other than on a scheduled payment date, the nearest scheduled installment payment date must be used in the computation; provided further, if the prepayment occurs prior to the first installment due date, the licensee may retain 1/30 of the applicable charge for a first installment period of one month for each day from the date of the loan to the date of prepayment, and shall refund or credit the borrower with the balance of the total interest contracted for. If the maturity of the loan is accelerated for any reason and judgment is entered, the licensee shall credit the borrower with the same refund as if prepayment in full had been made on the date the judgment is entered.

(4) If an installment, other than the final installment, is not paid in full within ten days of its scheduled due date, a licensee may contract for and receive a default charge not exceeding five percent of the amount of the installment, but not less than \$4.

A default charge under this subdivision may not be collected on an installment paid in full within ten days of its scheduled due date, or deferred installment due date with respect to deferred installments, even though a default or deferral charge on an earlier installment has not been paid in full. A default charge may be collected at the time it accrues or at any time thereafter.

(5) If the parties agree in writing, either in the loan contract or in a subsequent agreement, to a deferment of wholly unpaid installments, a licensee may grant a deferment and may collect a deferment charge as provided in this section. A deferment postpones the scheduled due date of the earliest unpaid installment and all subsequent installments as originally scheduled, or as previously deferred, for a period equal to the deferment period. The deferment period is that period during which no installment is scheduled to be paid by reason of the deferment. The deferment charge for a one-month period may not exceed the applicable charge for the installment period immediately following the due date of the last undeferred payment. A proportionate charge may be made for deferment for periods of more or less than one month. A deferment charge is earned pro rata during the deferment period and is fully earned on the last day of the deferment period. Should a loan be prepaid in full during a deferment period, the licensee shall make or credit to the borrower a refund of the unearned deferment charge in addition to any other refund or credit made for prepayment of the loan in full.

(6) If two or more installments are delinquent one full month or more on any due date, and if the contract so provides, the licensee may reduce

the unpaid balance by the refund credit which would be required for prepayment in full on the due date of the most recent maturing installment in default. Thereafter, and in lieu of any other default or deferment charges, the single annual percentage rate permitted by this subdivision may be charged on the unpaid balance until fully paid.

(7) Following the final installment as originally scheduled or deferred, the licensee, for any loan contract which has not previously been converted to interest-bearing under paragraph (f), clause (6), may charge interest on any balance remaining unpaid, including unpaid default or deferment charges, at the single annual percentage rate permitted by this subdivision until fully paid.

Sec. 10. Minnesota Statutes 1986, section 56.131, subdivision 2, is amended to read:

Subd. 2. [ADDITIONAL CHARGES.] In addition to the charges provided for by this section and section 56.155, no further or other amount whatsoever, shall be directly or indirectly charged, contracted for, or received for the loan made, except actual out of pocket expenses of the licensee to realize on a security after default, and except for the following additional charges which may be included in the principal amount of the loan:

(a) lawful fees and taxes paid to any public officer to record, file, or release security;

(b) with respect to a loan secured by an interest in real estate, the following actual closing costs authorized in section 47.20, subdivision 2, clause (1), if they are bona fide, reasonable in amount, and not for the purpose of circumvention or evasion of this section; provided the costs do not exceed one percent of the principal amount or \$250, whichever is greater:

~~(1) fees or premiums for title examination, abstract of title, title insurance, surveys, or similar purposes;~~

~~(2) fees, if not paid to the licensee, an employee of the licensee, or a person related to the licensee, for preparation of a mortgage, settlement statement, or other documents, fees for notarizing mortgages and other documents, and appraisal fees;~~

(c) the premium for insurance in lieu of perfecting and releasing a security interest to the extent that the premium does not exceed the fees described in paragraph (a).

Sec. 11. Minnesota Statutes 1986, section 56.14, is amended to read:

56.14 [DUTIES OF LICENSEE.]

Every licensee shall:

(1) deliver to the borrower (or if there are two or more borrowers to one of them) at the time any loan is made a statement making the disclosures and furnishing the information required by the federal Truth-in-Lending Act, *as amended from time to time*, with respect to the contract of loan. A copy of the loan contract may be delivered in lieu of a statement if it discloses the required information;

(2) deliver or mail to the borrower without request, a written receipt within 30 days following payment for each payment by coin or currency made on account of any loan wherein charges are computed and paid on

unpaid principal balances for the time actually outstanding, specifying the amount applied to charges and the amount, if any, applied to principal, and stating the unpaid principal balance, if any, of the loan; and wherein pre-computed charges have been added to the principal of the loan specifying the amount of the payment applied to principal and charges combined, the amount applied to default or extension charges, if any, and stating the unpaid balance, if any, of the precomputed loan contract. A periodic statement showing a payment received by mail complies with this clause;

(3) permit payment to be made in advance in any amount on any contract of loan at any time, but the licensee may apply the payment first to all charges in full at the agreed rate up to the date of the payment;

(4) upon repayment of the loan in full, mark indelibly every obligation and security, other than a mortgage or security agreement which secures a new loan to the licensee, signed by the borrower with the word "Paid" or "Canceled," and release any mortgage or security agreement which no longer secures a loan to the licensee, restore any pledge, and cancel and return any note, and any assignment given to the licensee which does not secure a new loan to the licensee within 20 days after the repayment;

(5) display prominently in each licensed place of business a full and accurate schedule, to be approved by the commissioner, of the charges to be made and the method of computing the same; furnish a copy of the contract of loan to any person obligated on it or who may become obligated on it at any time upon the request of that person;

(6) show in the loan contract or statement of loan the rate or rates of charge on which the charge in the contract is based, expressed in terms of rate or rates per annum. The rate expression shall be printed in at least 8-point type on the loan statement or copy of the loan contract given to the borrower.

Sec. 12. Minnesota Statutes 1986, section 580.03, is amended to read:
580.03 [NOTICE OF SALE; SERVICE ON OCCUPANT.]

Six weeks' published notice shall be given that such mortgage will be foreclosed by sale of the mortgaged premises or some part thereof, and at least four weeks before the appointed time of sale a copy of such notice shall be served in like manner as a summons in a civil action in the district court upon the person in possession of the mortgaged premises, if the same are actually occupied. If there be a building on such premises used by a church or religious corporation, for its usual meetings, service upon any officer or trustee of such corporation shall be a sufficient service upon it.

A copy of the notice of mortgage foreclosure must be mailed to each person who appears of record to have acquired a mortgage interest in the mortgaged premises after the mortgage which is being foreclosed. The notice must be mailed to these persons at the address given in the recorded mortgage at least 20 days before the date of sale. It is not necessary to mail a copy of the notice to a person if:

(1) *the recorded mortgage does not give the person's mailing address;*
or

(2) *the person's interest does not appear of record at the time the notice is first published or the power of attorney to foreclose is filed of record, whichever occurs first.*

Sec. 13. [EFFECTIVE DATE.]

Sections 1 to 12 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to commerce; industrial loan and thrift companies; making certain technical corrections; modifying certain definitions; prescribing powers; prescribing the qualifications of the directors of certain companies; providing penalties; regulated loans; prescribing the types of security that may be taken; specifying the loan fees and charges that may be imposed by regulated lenders; regulating mortgage foreclosure notices; amending Minnesota Statutes 1986, sections 53.015; 53.02; 53.03, subdivision 5; 53.06; 53.08; 53.09, subdivision 3; 56.131, subdivisions 1 and 2; 56.14; and 580.03; Minnesota Statutes 1987 Supplement, sections 53.05; and 56.12."

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

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 1637: A bill for an act relating to human services; allowing continued hospitalization for a person on a ventilator who has been hospitalized for 30 years; appropriating money.

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

Delete everything after the enacting clause and insert:

"Section 1. [256B.31] [CONTINUED HOSPITAL CARE FOR LONG-TERM POLIO PATIENT.]

A medical assistance recipient who has been a polio patient in an acute care hospital for a period of not less than 25 consecutive years is eligible to continue receiving hospital care, whether or not the care is medically necessary for purposes of federal reimbursement.

The cost of continued hospital care not reimbursable by the federal government shall be paid with state funds allocated for the medical assistance program. The rate paid to the hospital shall be the rate per day established using Medicare principles for the hospital's fiscal year ending December 31, 1981, adjusted each year by the annual hospital cost index established under section 256.969, subdivision 1, or by other limits in effect at the time of the adjustment. This section does not prohibit a voluntary move to another living arrangement by a recipient whose care is reimbursed under this section."

Delete the title and insert:

"A bill for an act relating to human services; allowing continued hospital care for long-term polio patients; providing for payment from state funds; proposing coding for new law in Minnesota Statutes, chapter 256B."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 1994: A bill for an act relating to natural resources; authorizing a private sale of surplus state property to the Memorial Hospital Association of Cambridge.

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

Page 1, line 10, delete "or any other law,"

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

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 1678: A bill for an act relating to natural resources; establishing a controlled burn program; requiring permits for controlled burns; providing assistance for controlled burns; establishing the position of controlled burn coordinator; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 84.

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

Delete everything after the enacting clause and insert:

"Section 1. [84.97] [CONTROLLED BURNING.]

Subdivision 1. [PROGRAM ESTABLISHED.] The commissioner shall establish a controlled burning program on public and private land to propagate wildlife requiring new vegetative growth and brush habitats, prairie management and to reduce the wildfire hazard.

Subd. 2. [BURNING PERMITS.] (a) A person may not conduct a controlled burn without a permit.

(b) The commissioner shall provide a manual that describes financial and technical assistance available and provides detailed information on conducting a controlled burn.

Subd. 3. [ASSISTANCE FOR PRIVATE BURNS.] The commissioner may provide financial and technical assistance to persons who desire to conduct controlled burns approved by the commissioner. Technical assistance includes controlled burn plan development, demonstration controlled burns, and personnel assistance for a controlled burn.

Subd. 4. [CONTROLLED BURN COORDINATOR.] The position of controlled burn coordinator is established in the department of natural resources for the purpose of coordinating activities pursuant to subdivision 1.

Sec. 2. [APPROPRIATION.]

\$. . . . is appropriated from the general fund to the commissioner of natural resources for the purposes listed in clauses (1) to (5), to be available until June 30, 1989:

- (1) financial and technical assistance for controlled burns on nonstate lands* \$
- (2) controlled burns on state land* \$
- (3) controlled burn equipment* \$

- (4) preparation and publication of a controlled burn manual \$
- (5) controlled burn coordinator salary and support services \$

Sec. 3. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to natural resources; establishing a controlled burn program; requiring permits for controlled burns; providing assistance for controlled burns; establishing the position of controlled burn coordinator; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 84."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 1836: A bill for an act relating to appropriations; appropriating money to the commissioner of finance for loan to the western Lake Superior sanitary district.

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

Delete everything after the enacting clause and insert:

"Section 1. [APPROPRIATION.]

Subdivision 1. \$3,500,000 is appropriated from the general fund to the commissioner of finance, to be available for the fiscal year ending June 30, 1988.

Subd. 2. The money appropriated must be loaned to the western Lake Superior sanitary district for a term of nine years, to be repaid without interest on or before October 1, 1997. The loan must be secured by the revenues of the district, including the proceeds paid to the district of any legal action commenced as a result of the failure of any district facilities. The proceeds from the legal action must be immediately applied to the outstanding balance of the loan. The commissioner of revenue shall require the district to execute a loan agreement containing the provisions of this subdivision."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 1687: A bill for an act relating to natural resources; making changes in certain laws relating to forestry; amending Minnesota Statutes 1986, sections 88.19; 89.01, subdivision 5, and by adding a subdivision; 89.17; and 89.19.

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

Pages 2 and 3, delete section 3

Page 4, after line 3, insert:

"Sec. 5. Minnesota Statutes 1986, section 90.041, is amended by adding a subdivision to read:

Subd. 5. The commissioner may contract as part of the timber sale with the purchaser of state timber at either informal or auction sale for the following forest improvement work to be done on the land included within the sale area: preparation of the site for seeding or planting of seedlings or trees, seeding or planting of seedlings or trees, and other activities relating to forest regeneration."

Page 4, line 8, delete "grant" and insert "trust"

Page 5, line 6, delete "This act" and insert "Section 1" and delete everything after "effective" and insert "August 1, 1988, and applies to crimes committed on or after that date."

Renumber the sections in sequence

Amend the title as follows:

Page 1, lines 4 and 5, delete ", and by adding a subdivision"

Page 1, line 5, delete the second "and" and before the period, insert "; and 90.041, by adding a subdivision"

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

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 335: A bill for an act relating to occupations and professions; authorizing physical therapy treatment without referral by a physician; prohibiting certain business relationships in the practice of physical therapy; amending Minnesota Statutes 1986, sections 148.75 and 148.76, subdivision 2.

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

Page 1, after line 9, insert:

"Section 1. Minnesota Statutes 1986, section 148.74, is amended to read:

148.74 [RULES.]

The board is authorized to adopt rules as may be necessary to carry out the purposes of sections 148.65 to 148.78. The secretary of the board shall keep a record of proceedings under these sections and a register of all persons registered under it. The register shall show the name, address, date and number of registration, and the renewal thereof. Any other interested person in the state may obtain a copy of such list on request to the board upon payment of an amount as may be fixed by the board, which shall not exceed the cost of the list so furnished. The board shall provide blanks, books, certificates, and stationery and assistance as is necessary for the transaction of the business of the board and the physical therapy council hereunder, and all money received by the board under sections 148.65 to

148.78 shall be paid into the state treasury as provided for by law. The board shall set by rule the amounts of the application fee and the annual registration fee. *The fees collected by the board must be sufficient to cover the costs of administering sections 148.65 to 148.78.*"

Page 2, line 30, after the semicolon, insert "and"

Page 2, line 31, delete ", other"

Page 2, line 32, delete "than that prohibited by clause (o),"

Page 2, line 36, delete "; and"

Page 3, lines 1 to 11, delete the new language

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, after "sections" insert "148.74;" and after "148.75" insert a semicolon

And when so amended the bill do pass. Mr. Samuelson questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1850 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1850	1858				

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1853 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1853	1758				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1853 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1853 and insert the language after the enacting clause of S.F. No. 1758, the first engrossment; further, delete the title of H.F. No. 1853 and insert the title

of S.F. No. 1758, the first engrossment.

And when so amended H.F. No. 1853 will be identical to S.F. No. 1758, and further recommends that H.F. No. 1853 be given its second reading and substituted for S.F. No. 1758, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1858 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1858	1731				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1858 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1858 and insert the language after the enacting clause of S.F. No. 1731, the first engrossment; further, delete the title of H.F. No. 1858 and insert the title of S.F. No. 1731, the first engrossment.

And when so amended H.F. No. 1858 will be identical to S.F. No. 1731, and further recommends that H.F. No. 1858 be given its second reading and substituted for S.F. No. 1731, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 2261: A bill for an act relating to health; regulating the sale of hearing aids; regulating persons who dispense hearing aids; appropriating money; prescribing penalties; amending Minnesota Statutes 1986, section 145.43, subdivision 1; Minnesota Statutes 1987 Supplement, section 145.43, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 153A; repealing Minnesota Statutes 1986, sections 153A.01 to 153A.12.

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

Page 2, lines 35 and 36, delete the new language

Page 3, line 2, after "aid" insert "*or the owner's representative,*"

Page 3, lines 3 to 14, reinstate the stricken language

Page 3, line 15, after the stricken "customer" insert "*owner or the owner's representative*" and reinstate the stricken period

Page 3, line 15, after "aid" insert "or the owner's representative"

Page 4, line 4, delete "SELLER" and insert "DISPENSER" and delete "Seller" and insert "Dispenser"

Page 4, lines 10 and 22, delete "seller" and insert "dispenser"

Page 4, lines 14 and 16, delete "seller's" and insert "dispenser's"

Page 5, line 3, delete "administrative penalties" and insert "enforcement actions"

Page 5, line 20, after "prescription" insert "from a physician" and after "recommendation" insert "from a hearing instrument dispenser or audiologist"

Page 5, line 23, after "PRESCRIPTION" insert "OR RECOMMENDATION" and after "FILLED" insert "BY"

Page 5, line 24, delete "BY" and insert "FROM" and after "DISPENSER" insert " , AUDIOLOGIST,"

Page 6, line 16, delete "145.23" and insert "145.43"

Page 6, lines 18, 25, and 28, delete "seller" and insert "dispenser"

Page 6, delete lines 29 and 30

Page 6, line 31, delete "4" and insert "3"

Page 6, line 36, delete "5" and insert "4"

Page 7, line 6, delete "\$" and insert "\$5,000"

Page 7, line 7, delete "\$" and insert "\$25,000"

Page 7, delete lines 9 to 11 and insert:

"The expenses for administering the permit requirements for hearing aid dispensers in section 5, subdivision 1, and the consumer information center under section 9, must be paid from permit fees collected under the authority granted in section 214.06, subdivision 1. The expenses of administering the registration of speech language pathologists, audiologists, and hearing instrument dispensers under the commissioner's general grant of authority in section 214.13 must be paid from registration fees collected pursuant to that section."

Page 7, line 14, delete everything after "to"

Page 7, delete line 15

Page 7, line 16, delete "take enforcement action, and"

Page 7, line 20, delete "sales" and insert "dispensing"

Page 7, line 21, delete "sellers" and insert "dispensers"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 1752: A bill for an act relating to game and fish; prescribing procedures for commissioner's orders; amending Minnesota Statutes 1986, section 97A.051, subdivision 3.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 97A.051, subdivision 3, is amended to read:

Subd. 3. [PUBLICATION OF ORDERS AND RULES.] *(a) Before an order or rule is published, the commissioner must consult with the chairs of the environment and natural resources committees of the house of representatives and senate or the chairs' designees and obtain their advisory recommendations. The recommendations are advisory only. Failure or refusal to make a recommendation promptly is considered a positive recommendation.*

(b) All orders and rules promulgated by the commissioner or the director that affect matters in more than three counties must be published once in a legal newspaper in Minneapolis, St. Paul, and Duluth. The orders and rules that do not affect more than three counties must be published once in a legal newspaper in each county affected. An order or rule is not effective until seven days after the publication.

Sec. 2. Minnesota Statutes 1987 Supplement, section 97C.211, subdivision 1, is amended to read:

Subdivision 1. [LICENSE REQUIRED.] A person may not operate a private fish hatchery without a private fish hatchery license. A private fish hatchery is a facility for raising fish, *including minnows*, for sale for, stocking waters ~~or for~~, angling, or processing.

Sec. 3. Minnesota Statutes 1987 Supplement, section 97C.211, subdivision 2a, is amended to read:

Subd. 2a. [ACQUISITION OF FISH.] *(a) A private fish hatchery may not obtain fish outside of the state unless the fish or the source of the fish are approved by the commissioner. The commissioner may not apply more stringent requirements to fish or a source of fish from outside the state than are applied to fish and sources of fish from within the state. The commissioner must either approve or deny the acquisition within 30 days after receiving a written request for approval. The request may be for annual acquisition if the fish acquired will be processed and not released into public waters.*

(b) If the commissioner denies approval, a written notice must be submitted to the applicant stating the reasons for the denial and the commissioner must:

(1) designate approved sources to obtain the desired fish or fish eggs; or

(2) sell the fish or fish eggs from state fish hatcheries at fair market value.

Sec. 4. [97C.347] [LANDING NETS.]

Subdivision 1. [USE AND POSSESSION.] A person may use and possess a landing net to net a fish taken by angling.

Subd. 2. [ELECTRIC LANDING NETS.] A person may net fish taken by angling with a landing net that discharges an electric current if the net is designed to temporarily immobilize the fish so that it can be safely released.

Sec. 5. Minnesota Statutes 1986, section 97C.515, is amended by adding a subdivision to read:

Subd. 4. [PRIVATE FISH HATCHERY.] A person with a private fish hatchery license may transport minnows from outside the state to the private fish hatchery. The commissioner may require inspection of the minnows in the same manner as required for minnows raised and transported within the state.

Sec. 6. [REPEALER.]

Minnesota Statutes 1987 Supplement, section 97A.451, subdivision 1, is repealed.

Sec. 7. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to game and fish; prescribing procedures for commissioner's orders; making changes in private fish hatchery provisions; allowing use and possession of landing nets; allowing use of landing nets discharging electrical current; amending Minnesota Statutes 1986, sections 97A.051, subdivision 3; and 97C.515, by adding a subdivision; Minnesota Statutes 1987 Supplement, section 97C.211, subdivisions 1 and 2a; proposing coding for new law in Minnesota Statutes, chapter 97C; repealing Minnesota Statutes 1987 Supplement, section 97A.451, subdivision 1."

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

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 1561: A bill for an act relating to game and fish; prohibiting the use of meat in baiting bears; amending Minnesota Statutes 1986, section 97B.425.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 97B.425, is amended to read:

97B.425 [BAITING BEARS.]

A person placing bait to take bear must display a tag at each site where bait is placed and register the sites. The commissioner shall prescribe the method of tagging and registering the sites. ~~A person may not use solid waste containing bottles, cans, plastic, paper, metal, or other materials that are not readily biodegradable as a bait to attract bear. To attract bear a person may not use a bait with:~~

- (1) meat from mammals, if the meat contains bones;
- (2) bones of mammals;
- (3) solid waste containing bottles, cans, plastic, paper, or metal;
- (4) materials that are not readily biodegradable; or

(5) any part of a swine."

Delete the title and insert:

"A bill for an act relating to game and fish; prohibiting the use of certain meat in baiting bears; amending Minnesota Statutes 1986, section 97B.425."

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

Mrs. Lantry from the Committee on General Legislation and Public Gaming, to which was referred

S.F. No. 1764: A bill for an act relating to charitable gambling; increasing the time period allowed for cities and counties to review license applications; amending Minnesota Statutes 1986, section 349.213, subdivision 2.

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

Page 1, after line 18, insert:

"Sec. 2. Minnesota Statutes 1986, section 609.75, subdivision 1, is amended to read:

Subdivision 1. [LOTTERY.] (a) A lottery is a plan which provides for the distribution of money, property or other reward or benefit to persons selected by chance from among participants some or all of whom have given a consideration for the chance of being selected.

(b) An in-package chance promotion is not a lottery if all of the following are met:

(1) participation is available, free and without purchase of the package, from the retailer or by mail or toll-free telephone request to the sponsor for entry or for a game piece;

(2) the label of the promotional package and any related advertising clearly states any method of participation and the scheduled termination date of the promotion;

(3) the sponsor on request provides a retailer with a supply of entry forms or game pieces adequate to permit free participation in the promotion by the retailer's customers;

(4) the sponsor does not misrepresent a participant's chances of winning any prize;

(5) the sponsor randomly distributes all game pieces and maintains records of random distribution for at least one year after the termination date of the promotion;

(6) all prizes are randomly awarded if game pieces are not used in the promotion; and

(7) the sponsor provides on request of a state agency a record of the names and addresses of all winners of prizes valued at \$100 or more, if the request is made within one year after the termination date of the promotion.

(c) Except as provided by section 349.40, acts in this state in furtherance of a lottery conducted outside of this state are included notwithstanding its validity where conducted.

(d) The distribution of money, property, or other reward or benefit to persons selected by chance from among participants who have made a contribution through a payroll deduction campaign to a charitable organization, within the meaning of section 309.50, as a precondition to the chance of being selected, is not a lottery."

Amend the title as follows:

Page 1, line 2, delete "charitable"

Page 1, line 4, after the semicolon, insert "providing that promotions conducted in connection with payroll deduction campaigns are not lotteries;"

Page 1, line 5, delete "section" and insert "sections" and before the period, insert "; and 609.75, subdivision 1"

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

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 2217: A bill for an act relating to state lands; authorizing transfer of certain state lands in Ramsey county to the city of Mounds View.

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

Delete everything after the enacting clause and insert:

"Section 1. [CONVEYANCE OF STATE LAND TO CITY OF MOUNDS VIEW.]

Notwithstanding Minnesota Statutes, sections 92.01 to 92.16, 92.45, or any other law, the commissioner of transportation shall convey the land described in this section to the city of Mounds View.

The conveyance shall be by quitclaim deed without consideration in a form approved by the attorney general. The deed must contain a provision that requires the property to revert to the state if the property is not used by the city of Mounds View for a public purpose.

The land to be conveyed is located in Ramsey county consisting of approximately 54.91 acres described as:

South half of the Northeast quarter of Section 5, Township 30, Range 23

This property was acquired by the department of transportation for construction of a new portion of trunk highway No. 10 west of Interstate Highway 35W. The property is mostly wetland and floodplain and is not needed for highway purposes and is located within a conservancy, recreation, and protection district."

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

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 1536: A bill for an act relating to state parks; adding Hill-Annex Mine state park to the state park system; specifying terms and conditions

of acquisition; appropriating funds; amending Minnesota Statutes 1986, section 85.012, by adding a subdivision.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 85.012, is amended by adding a subdivision to read:

Subd. 27a. Hill-Annex Mine state park, Itasca county.

Sec. 2. [PARK BOUNDARIES.]

Hill-Annex Mine state park consists of the surface interest in land within Itasca county described as Section 16, Township 56 North, Range 23 West, excluding an area containing 6.5 acres more or less which is described as follows:

Starting at the corner common to Sections 17, 16, 20 and 21, Township 56 North, Range 23 West; thence due east on section line 155 feet to point of beginning; thence due east 916 feet; thence due north 330 feet; thence due west 916 feet; thence due south 330 feet to the point of beginning.

Sec. 3. [ACQUISITION.]

When the agreements and transfers required by section 4 have been completed to the satisfaction of the commissioner of natural resources, the commissioner shall acquire by condemnation sufficient ownership interests in the surface estate of the land described in section 2 to create a state park to interpret and provide the public with an opportunity to view and experience natural iron ore open-pit mining operations as conducted on Minnesota's historic iron ranges.

The commissioner may not condemn the mineral estate in the described property, and, in the establishment of the park, shall recognize the possibility that mining may be conducted on the property in the future, and that use of portions of the surface estate may be necessary to these possible future mining operations. Subject to the above conditions, all lands acquired for the Hill-Annex Mine state park must be administered in the same manner as provided for other state parks and must be perpetually dedicated for that use.

Sec. 4. [ESTABLISHMENT AND MAINTENANCE.]

For establishing Hill-Annex Mine state park, the iron range resources and rehabilitation board must take the following actions:

(1) the board must provide the commissioner of natural resources with the necessary equipment to operate the Hill-Annex Mine state park and maintain the access roads for the Hill-Annex Mine tour, provide the commissioner of natural resources with an agreement by local units of government to maintain the access roads for the Hill-Annex Mine tour, or must enter into an agreement with the department of natural resources to maintain these roads at the expense of the board;

(2) the board must acquire and install a water pump and necessary pipeline for dewatering the mine that is of sufficient capacity to efficiently maintain a water level low enough to allow public bus tours down to the bottom of A pocket; and

(3) the board must provide vehicles suitable for transporting visitors through the mine on interpretive tours.

Sec. 5. [APPROPRIATION.]

\$270,000 is appropriated from the general fund to the commissioner of natural resources to operate Hill-Annex Mine state park for fiscal year 1989.

\$160,000 is appropriated to the commissioner of natural resources from the general fund for land acquisition to be available until expended.

Five positions are added to the complement of the division of parks and recreation for staff for Hill-Annex Mine state park."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 1682: A bill for an act relating to environment; prohibiting sale of certain beverage containers with nondegradable connectors; amending Minnesota Statutes 1986, section 325E.03, subdivision 1.

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

Page 1, line 18, delete "*an individual*" and insert "*a*" and delete "*metal*"

Page 1, line 19, delete "*individual*" and delete "*metal*"

Page 1, delete section 2 and insert:

"Sec. 2. [325E.035] [NONDEGRADABLE CONTAINERS.]

Subdivision 1. [SALE PROHIBITION.] Except as provided in section 325E.03, a person may not sell or offer for sale a sealed container that is connected to another sealed container by means of a device constructed of a material that does not decompose by photodegradation or biodegradation within a reasonable time after exposure to weather elements.

Subd. 2. [PENALTY.] A person who violates subdivision 1 is guilty of a misdemeanor.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective July 1, 1989."

Amend the title as follows:

Page 1, line 3, delete "beverage" and after the semicolon, insert "providing a penalty;"

Page 1, line 5, before the period, insert "; proposing coding for new law in Minnesota Statutes, chapter 325E"

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

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 2090: A bill for an act relating to state lands; authorizing a certain conveyance by the commissioner of natural resources to the city of Big Fork.

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

Page 1, line 14, after the period, insert "*The conveyance must provide that the property reverts back to the state if the city no longer uses the property for public purposes.*"

Page 1, line 15, delete "*and a*"

Page 1, line 16, delete "*residence built thereon*" and insert "*to serve as residential property*"

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

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 1328: A bill for an act relating to public safety; altering certain requirements concerning fencing of unused mine pits and shafts; providing modification to certain public and private liability laws; providing penalties; amending Minnesota Statutes 1986, sections 3.732, subdivision 1; 3.736, subdivision 3; 87.024; 180.01; 180.03, subdivisions 2 and 3; 180.06; 180.10; 466.03, subdivisions 6c and 13.

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

Pages 1 to 4, delete sections 1 and 2 and insert:

"Section 1. Minnesota Statutes 1987 Supplement, section 3.732, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] As used in this section and section 3.736 the terms defined in this section have the meanings given them.

(1) "State" includes each of the departments, boards, agencies, commissions, courts, and officers in the executive, legislative, and judicial branches of the state of Minnesota and includes but is not limited to the Minnesota housing finance agency, the Minnesota higher education coordinating board, the Minnesota higher education facilities authority, the armory building commission, the Minnesota zoological board, the state agricultural society, *the iron range resources and rehabilitation board*, the University of Minnesota, state universities, community colleges, state hospitals, and state penal institutions. It does not include a city, town, county, school district, or other local governmental body corporate and politic.

(2) "Employee of the state" means all present or former officers, members, directors, or employees of the state, members of the Minnesota national guard, or persons acting on behalf of the state in an official capacity, temporarily or permanently, with or without compensation, but does not include either an independent contractor or members of the Minnesota national guard while engaged in training or duty under United States Code, title 10, or United States Code, title 32, section 316, 502, 503, 504, or

505, as amended through December 31, 1983.

(3) "Scope of office or employment" means that the employee was acting on behalf of the state in the performance of duties or tasks lawfully assigned by competent authority.

Sec. 2. Minnesota Statutes 1987 Supplement, section 3.736, subdivision 3, is amended to read:

Subd. 3. [EXCLUSIONS.] Without intent to preclude the courts from finding additional cases where the state and its employees should not, in equity and good conscience, pay compensation for personal injuries or property losses, the legislature declares that the state and its employees are not liable for the following losses:

(a) Any loss caused by an act or omission of a state employee exercising due care in the execution of a valid or invalid statute or rule;

(b) Any loss caused by the performance or failure to perform a discretionary duty, whether or not the discretion is abused;

(c) Any loss in connection with the assessment and collection of taxes;

(d) Any loss caused by snow or ice conditions on any highway or public sidewalk that does not abut a publicly-owned building or a publicly-owned parking lot, except when the condition is affirmatively caused by the negligent acts of a state employee;

(e) Any loss caused by wild animals in their natural state, except as provided in section 3.7371;

(f) Any loss other than injury to or loss of property or personal injury or death;

(g) Any loss caused by the condition of unimproved real property owned by the state, which means land that the state has not improved, *state land that contains idled or abandoned mine pits or shafts*, and appurtenances, fixtures, and attachments to land that the state has neither affixed nor improved;

(h) Any loss incurred by a user within the boundaries of the outdoor recreation system and arising from the construction, operation, or maintenance of the system, as defined in section 86A.04, or from the clearing of land, removal of refuse, and creation of trails or paths without artificial surfaces, or from the construction, operation, or maintenance of a water access site created by the iron range resources and rehabilitation board, except that the state is liable for conduct that would entitle a trespasser to damages against a private person. *For the purposes of this clause, a water access site, as defined in section 86A.04 or created by the iron range resources and rehabilitation board, that provides access to an idled, water filled mine pit, also includes the entire water filled area of the pit and, further, includes losses caused by the caving or slumping of the mine pit walls;*

(i) Any loss of benefits or compensation due under a program of public assistance or public welfare, except where state compensation for loss is expressly required by federal law in order for the state to receive federal grants-in-aid;

(j) Any loss based on the failure of any person to meet the standards needed for a license, permit, or other authorization issued by the state or

its agents;

(k) Any loss based on the usual care and treatment, or lack of care and treatment, of any person at a state hospital or state corrections facility where reasonable use of available appropriations has been made to provide care;

(l) Any loss, damage, or destruction of property of a patient or inmate of a state institution;

(m) Any loss for which recovery is prohibited by section 169.121, subdivision 9; and

(n) Any loss caused by an aeration, bubbler, water circulation, or similar system used to increase dissolved oxygen or maintain open water on the ice of public waters, that is operated under a permit issued by the commissioner of natural resources.

The state will not pay punitive damages."

Page 4, line 6, strike "87.022" and insert "87.0221"

Page 7, delete lines 9 to 23 and insert "*request of the county mine inspector, the county board may appropriate money, including money appropriated to the county by the legislature for the purposes of mine safety or inspection, for the expenses of the county mine inspector including expenses that arise from the erection and maintenance, by the county, on county administered land, of fences, barriers, or signs required by chapter 180.*"

Amend the title as follows:

Page 1, lines 6 and 7, delete "3.732, subdivision 1; 3.736, subdivision 3;"

Page 1, line 9, before the period, insert "; Minnesota Statutes 1987 Supplement, sections 3.732, subdivision 1; and 3.736, subdivision 3"

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

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 1891: A bill for an act relating to waste management; requiring certain buildings to provide space for recycling; changing the definition of recyclable materials; specifying the responsibilities of the legislative commission on waste management; adding containment of hazardous waste as an item for which the waste management board may make grants; making industrial waste facilities eligible for processing facility loans; creating additional loan and grant programs for waste tire management; banning used oil from placement on the land; removing the county fee cap for waste disposal in the metropolitan area; adding the chair of the waste management board to the environmental quality board; repealing the expiration date of the legislative commission on waste management; appropriating money; amending Minnesota Statutes 1986, sections 16B.61, subdivision 5; 115A.03, subdivision 25a; 115A.14, subdivision 4; 115A.156, subdivision 3; 115A.165; 115A.912; 115A.919; 115B.17, by adding a subdivision; Minnesota Statutes 1987 Supplement, sections 16B.61, subdivision 3; 115A.156, subdivisions 1 and 2; 115A.162; 115A.48; 115A.916; 115A.95; and 116C.03,

subdivision 2; Laws 1980, chapter 564, article XII, section 1, subdivision 3, as amended; Laws 1987, chapters 348, section 51, subdivision 1; and 404, section 24, subdivisions 4 and 6; proposing coding for new law in Minnesota Statutes, chapters 115A and 325E; repealing Minnesota Statutes 1986, sections 115A.14, subdivision 6; and 115A.90, subdivision 4; Minnesota Statutes 1987 Supplement, sections 115A.14, subdivision 5; 116.55; and 116M.07, subdivision 14.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 16B.24, subdivision 6, is amended to read:

Subd. 6. [PROPERTY RENTAL.] (a) [LEASES.] The commissioner shall rent land and other premises when necessary for state purposes. The commissioner may lease land or premises for five years or less, subject to cancellation upon 30 days written notice by the state for any reason except rental of other land or premises for the same use. The commissioner may not rent non-state-owned land and buildings or substantial portions of land or buildings within the capitol area as defined in section 15.50 unless the commissioner first consults with the capitol area architectural and planning board. Lands needed by the department of transportation for storage of vehicles or road materials may be rented for five years or less, such leases for terms over two years being subject to cancellation upon 30 days written notice by the state for any reason except rental of other land or premises for the same use.

(b) [USE VACANT PUBLIC SPACE.] No agency may initiate or renew a lease for space for its own use in a private building unless the commissioner has thoroughly investigated presently vacant space in public buildings, such as closed school buildings, and found that none is available.

(c) [PREFERENCE FOR CERTAIN BUILDINGS.] For needs beyond those which can be accommodated in state owned buildings, the commissioner shall acquire and utilize space in suitable buildings of historical, architectural, or cultural significance for the purposes of this subdivision unless use of that space is not feasible, prudent and cost effective compared with available alternatives. Buildings are of historical, architectural, or cultural significance if they are listed on the national register of historic places, designated by a state or county historical society, or designated by a municipal preservation commission.

(d) [RECYCLING SPACE.] *Leases for space of 30 days or more for 5,000 square feet or more must require that space is provided for recyclable materials.*

Sec. 2. Minnesota Statutes 1986, section 16B.61, is amended by adding a subdivision to read:

Subd. 3a. [RECYCLING SPACE.] The code must require suitable space for the separation, collection, and temporary storage of recyclable materials within or adjacent to new or significantly remodeled structures greater than 1,000 square feet. Residential structures with less than 12 dwelling units are exempt from this subdivision.

Sec. 3. Minnesota Statutes 1986, section 115A.03, subdivision 25a, is amended to read:

Subd. 25a. "Recyclable materials" means materials that are separated from mixed municipal solid waste, ~~by the generator or during collection,~~ for the purpose of recycling, including paper, glass, metals, automobile oil, and batteries.

Sec. 4. Minnesota Statutes 1986, section 115A.14, subdivision 4, is amended to read:

Subd. 4. [POWERS AND DUTIES.] (a) The commission shall ~~review the biennial report of the board, the agency municipal project list and municipal needs list reports, and the budget for the agency division of water quality. The commission shall oversee the activities of the board under sections 115A.01 to 115A.72 and the activities of the agency under sections 115A.42 to 115A.46, 115A.49 to 115A.54, and 116.16 to 116.18~~ *oversee the activities of the board under this chapter relating to solid and hazardous waste management, the activities of the agency under sections 116.16 to 116.181 relating to water pollution control, and the activities of the metropolitan council relating to metropolitan waste management under sections 473.801 to 473.848, and direct such changes or additions in the work plan of the board and agency as it deems fit.*

(b) *The commission shall make recommendations to the standing legislative committees on finance and appropriations for appropriations from:*

(1) *the environmental response, compensation, and compliance fund under section 115B.20, subdivision 5;*

(2) *the metropolitan landfill abatement fund under section 473.844; and*

(3) *the metropolitan landfill contingency action fund under section 473.845.*

(c) The commission may conduct public hearings and otherwise secure data and expressions of opinion. The commission shall make such recommendations as it deems proper to assist the legislature in formulating legislation. Any data or information compiled by the commission shall be made available to any standing or interim committee of the legislature upon request of the chair of the respective committee.

Sec. 5. Minnesota Statutes 1987 Supplement, section 115A.156, subdivision 1, is amended to read:

Subdivision 1. [PURPOSE.] The board may make grants to eligible recipients to determine the feasibility and method of developing and operating specific types of commercial facilities and services for collecting ~~and~~, processing, *or containment of* hazardous waste and for improving management of waste rendered nonhazardous and industrial waste. Grants may be made for:

(1) market assessment, including generator surveys;

(2) conceptual design and preliminary engineering;

(3) financial and business planning necessary to address sources of funding, financial security, liability, pricing structure, and similar matters necessary to the development and proper operation of a facility or service;

(4) environmental impact and site analysis, preparation of permit applications, and environmental and permit reviews;

(5) analysis of methods of overcoming identified technical, institutional, legal, regulatory, market, or other constraints; and

(6) analysis of other factors affecting development, operation, and use of a facility or service.

Sec. 6. Minnesota Statutes 1987 Supplement, section 115A.156, subdivision 2, is amended to read:

Subd. 2. [ELIGIBILITY.] A person proposing to develop and operate specific collection ~~and~~, processing, or containment facilities or services to serve generators in the state and persons seeking to develop or operate specific types of facilities or services to manage industrial waste generated in the state, are eligible for a grant. The board may give preference to applications by associations of two or more generators in the state proposing to develop and operate commercial facilities or services ~~capable of collecting or for collection~~, processing, or containment of their hazardous wastes.

Sec. 7. Minnesota Statutes 1986, section 115A.156, subdivision 3, is amended to read:

Subd. 3. [PROCEDURE FOR AWARDED GRANTS.] (a) The board may establish procedures for awarding grants under this section. The procedures for awarding grants shall include consideration of the following factors:

(1) the need to provide collection ~~and~~, processing or containment for a variety of types of hazardous wastes;

(2) the extent to which the facility or service would provide a significant amount of processing ~~or~~, collection, or containment capacity for waste generated in the state, measured by the volume of waste to be managed, the number and geographic distribution of generators to be served, or the reduction of risk to public health and safety and the environment achieved by the operation of the facility or service;

(3) the availability of the facility or service to all generators needing the service in the area to be served;

(4) the contribution of the facility or service to achieving the policies and objectives of the hazardous waste management plan;

(5) participation by persons with demonstrated experience in developing, designing, or operating hazardous waste collection ~~or~~, processing, or containment facilities or services;

(6) the need for assistance from the board to accomplish the work;

(7) the extent to which a proposal would produce and analyze new information; and

(8) other factors established by the board consistent with the purposes of this section.

(b) The board may adopt emergency rules under sections 14.29 to 14.36 to implement the grant program. Emergency rules adopted by the board remain in effect for 360 days or until permanent rules are adopted, whichever occurs first.

Sec. 8. Minnesota Statutes 1987 Supplement, section 115A.162, is amended to read:

115A.162 [INDUSTRIAL OR HAZARDOUS WASTE PROCESSING FACILITY LOANS.]

The board shall review applications for *industrial or hazardous waste processing facility* loans received by the *agriculture and economic development authority* and forwarded to the board under section ~~116M.07, subdivision 9~~ *41A.066*. The board may certify a loan application only if it determines that:

- (1) the applicant has demonstrated that the proposed facility is technically feasible;
- (2) the applicant has made a reasonable assessment of the market for the services offered by the proposed facility;
- (3) the applicant has agreed to provide funds for the proposed facility in an amount equal to at least 25 percent of the capital cost of the facility excluding land acquisition cost;
- (4) the applicant has agreed to pay the cost of any land acquisition necessary to develop the facility; and
- (5) the facility will contribute in a significant way to achievement of the policies and objectives of the hazardous waste management plan and, in particular, to reduce the need for and practice of *industrial or hazardous waste disposal*.

As a condition of its certification the board may require an applicant to agree to provide funds in excess of 25 percent of the capital cost of the facility in addition to any land acquisition costs. In certifying an application or in determining the share of the capital costs that will be provided by the loan, the board may consider the types and volumes of *industrial or hazardous waste* that will be handled by the facility, the number of generators served by the facility, and the extent to which the facility serves the need of smaller businesses that generate *industrial or hazardous waste*. The board may establish additional criteria for certifying loan applications consistent with the provisions of this section.

The board may adopt emergency rules under sections 14.29 to 14.36 to implement the loan program. Emergency rules adopted by the board remain in effect for 360 days or until permanent rules are adopted, whichever occurs first.

Sec. 9. Minnesota Statutes 1986, section 115A.165, is amended to read:

115A.165 [EVALUATION OF GRANT AND LOAN PROGRAMS; REPORT.]

By November 1, ~~1986~~, of each even-numbered year, the board shall evaluate the extent to which the programs provided in sections 115A.152 to 115A.162 have contributed to the achievement of the policies and objectives of the hazardous waste management plan and other related planning documents prepared by the board. The evaluation must consider the amount of waste reduction achieved by generators through the technical and research assistance and waste reduction grant programs and the progress in reducing the need for and practice of disposal achieved through the development grants and the request for proposal program. The board shall report the results of its evaluation to the legislative commission with its recommendations for further action.

Sec. 10. Minnesota Statutes 1987 Supplement, section 115A.48, is amended to read:

115A.48 [MARKET DEVELOPMENT FOR RECYCLABLE MATERIALS AND COMPOST.]

Subdivision 1. [AUTHORITY.] The board shall assist and encourage the development of specific facilities ~~and~~, services, *and uses* needed to provide adequate, stable, and reliable markets for recyclable materials *and compost* generated in the state. In carrying out this duty the board shall coordinate and cooperate with the solid waste management efforts of other public agencies and political subdivisions.

Subd. 2. [FACILITY DEVELOPMENT PROPOSALS.] In order to determine the feasibility and method of developing and operating specific types of facilities and services to use recyclable materials *and compost* generated in the state, the board shall request proposals from and may make grants to persons seeking to develop or operate the facilities or services. Grants may be made for the purposes in section 115A.156, subdivision 1, clauses (1) to (6). A grant must be matched by money or in-kind services provided by the grantee covering at least 50 percent of the project cost. In requesting proposals under this section the board shall follow the procedures provided in section 115A.158, subdivisions 1 and 2, as far as practicable.

Subd. 3. [PUBLIC PROCUREMENT.] The board shall provide technical assistance and advice to political subdivisions and other public agencies to encourage solid waste reduction and development of markets for recyclable materials *and compost* through procurement policies and practices.

Sec. 11. [115A.541] [PLAN; GRANT REQUIREMENT.]

The board may only approve a plan under section 115A.46 or make a grant for a recycling facility under section 115A.54, subdivision 2a, if it finds that the applicant demonstrates a commitment to recycle materials separated by generators to the extent the program is cost-effective in meeting recycling goals.

Sec. 12. Minnesota Statutes 1986, section 115A.912, is amended to read:

115A.912 [WASTE TIRE COLLECTION MANAGEMENT.]

Subdivision 1. [PURPOSE.] Money appropriated to the ~~agency~~ *board* for waste tire ~~collection management~~ may be spent for elimination of health and safety hazards of tire dumps and collection sites, tire dump abatement, collection, *management* and clean up of waste tires, *regulation of permitted waste tire facilities, research and studies to determine the technical and economic feasibility of uses for tire derived products, public education on waste tire management, and grants and loans under section 13.*

Subd. 2. [PRIORITIES FOR SPENDING.] The ~~agency~~ *board* shall apply the following criteria to establish priorities: (1) tire dumps or collection sites determined by the ~~agency~~ *board* to contain more than 1,000,000 tires; (2) abatement of fire hazard nuisances; (3) abatement of nuisance in densely populated areas; and (4) collection and clean up of waste tires including abatement of tire dumps.

Subd. 3. [CONTRACTS WITH COUNTIES.] The ~~agency~~ *board* may contract with counties for the abatement of waste tire nuisances *and may reimburse a county for up to 85 percent of the cost of abatement. A contract with a county for abatement of waste tire nuisances must incorporate a plan approved by the board that provides for the removal and processing of the waste tires in a manner consistent with board standards and ongoing*

board abatement activities. A county may recover by civil action its part of abatement costs from the tire collector responsible for a nuisance.

Sec. 13. [115A.913] [WASTE TIRE PROGRAMS.]

Subdivision 1. [LOANS AND GRANTS.] (a) The board may make waste tire processing loans to businesses to finance acquisition of land, buildings, or equipment, installation of equipment, construction of buildings, capital improvements for waste tire processing or preparation for processing, collection and transportation of waste tires, utilization of tire derived products, and to develop markets for waste tire derived products.

(b) The board may make grants for studies necessary to demonstrate the technical and economic feasibility of a proposed waste tire recycling project. A grant may not exceed \$30,000 and may not exceed 75 percent of the costs of the study.

Subd. 2. [COLLECTION AND TRANSPORTATION.] The board may make grants to local government units for the cost of establishing waste tire collection sites. Grants may be used for the capital costs of land, structures, and equipment needed to establish waste tire collection sites, and to collect and transport waste tires. A grant may not exceed 50 percent of the cost to a local government unit to establish a waste tire collection site.

Subd. 3. [FEASIBILITY STUDIES.] The board may conduct research and studies to determine the technical and economic feasibility of uses for waste tire derived products.

Subd. 4. [PUBLIC EDUCATION.] The board may conduct a program to inform the public about proper handling and opportunities for processing of waste tires consistent with section 115A.072.

Subd. 5. [REPORT.] By November 15 of each year, the board shall prepare and submit to the legislative commission on waste management a progress report of the board's operations and activities under sections 115A.90 to 115A.914.

Sec. 14. Minnesota Statutes 1987 Supplement, section 115A.916, is amended to read:

115A.916 [USED OIL; LAND DISPOSAL PROHIBITED.]

A person may not place used oil in mixed municipal solid waste or ~~dispose of place used oil in a solid waste disposal facility after January 1, 1988~~ or on the land, unless approved by the agency.

This section does not apply to small amounts of used oil placed on the land resulting from the used oil being used for lubrication of farm machinery. This section may be enforced by the agency pursuant to section 115.071.

Sec. 15. [115A.9162] [USED OIL LOANS AND GRANTS.]

Subdivision 1. [LOANS.] The board may make loans to businesses for the purchase of used oil processing equipment.

Subd. 2. [GRANTS.] The board may make grants to counties for installation of storage tanks to collect used oil. To be eligible for a grant, a county must obtain approval from the commissioner of the agency for the type of tank to be used, the location and installation of the tank, and the proposed ongoing maintenance and monitoring of the collection site. A tank may be located on public or private property and must be made

available to the public for used oil disposal. A grant for a single tank may not exceed \$1,000 and a county may not receive more than \$5,000 in grants for storage tanks.

Sec. 16. Minnesota Statutes 1986, section 115A.919, is amended to read:

115A.919 [COUNTY FEE AUTHORITY.]

A county may impose a fee, by cubic yard of waste or its equivalent, on operators of facilities for the disposal of mixed municipal solid waste located within the county. ~~The fee in the metropolitan area may not exceed 25 cents per cubic yard or its equivalent.~~ The revenue from the fees shall be credited to the county general fund and shall be used only for landfill abatement purposes, or costs of closure, postclosure care, and response actions or for purposes of mitigating and compensating for the local risks, costs, and other adverse effects of facilities.

Waste residue from energy and resource recovery facilities at which solid waste is processed for the purpose of extracting, reducing, converting to energy, or otherwise separating and preparing solid waste for reuse shall be exempt from one-half the amount of the fee imposed by a county under this section if there is at least an 85 percent volume reduction in the solid waste processed. Before any fee is reduced, the verification procedures of section 473.843, subdivision 1, paragraph (c), must be followed and submitted to the appropriate county.

Sec. 17. [115A.97] [INCINERATOR ASH.]

(a) Incinerator ash means ash resulting from the combustion of mixed municipal waste and ash from the combustion of refuse derived fuel. Incinerator ash shall be classified as a special solid waste for an interim period which shall expire upon the occurrence of the earliest of the following events:

(1) the United States Environmental Protection Agency establishes testing and disposal requirements for incinerator ash;

(2) the Minnesota pollution control agency adopts rules for proper testing and disposal of incinerator ash; or

(3) March 1, 1990.

(b) During the interim period, incinerator ash shall be evaluated in accordance with a program established by the agency in cooperation with the generators of incinerator ash and shall be stored separate from mixed municipal waste with adequate controls to protect the environment as provided in agency permits. All incinerator ash stored during the interim period shall be subject to the regulations subsequently established. Nothing in this section shall be construed to limit application of chapter 115B to releases resulting from incinerator ash management.

Sec. 18. Minnesota Statutes 1986, section 115B.17, is amended by adding a subdivision to read:

Subd. 14. [REQUESTS FOR REVIEW, INVESTIGATION, AND OVERSIGHT.] (a) The commissioner of the agency may, upon request, assist a person in determining whether real property has been the site of a release or threatened release of a hazardous substance, pollutant, or contaminant. The commissioner may also assist in, or supervise, the development and implementation of reasonable and necessary response actions. Assistance

may include review of agency records and files, and review and approval of a requester's investigation plans and reports and response action plans and implementation.

(b) The person requesting assistance under this subdivision shall pay the agency for the agency's cost, as determined by the commissioner, of providing assistance. Money received by the agency for assistance under this section must be deposited in the environmental response, compensation, and compliance fund.

Sec. 19. Minnesota Statutes 1987 Supplement, section 116C.03, subdivision 2, is amended to read:

Subd. 2. The members of the board are the director of the state planning agency, the director of public service, the director of the pollution control agency, the commissioner of natural resources, *the chair of the waste management board*, the commissioner of agriculture, the commissioner of health, the commissioner of transportation, the chair of the board of water and soil resources, and a representative of the governor's office designated by the governor. The governor shall appoint five members from the general public to the board, subject to the advice and consent of the senate. At least two of the five public members must have knowledge of and be conversant in water management issues in the state.

Sec. 20. [325E.116] [WASTE TIRES; COLLECTION.]

A person who sells automotive tires at retail must accept waste tires from customers for collection and recycling. The person must accept as many waste tires from each customer as tires are bought by that customer.

Sec. 21. Minnesota Statutes 1986, section 473.803, subdivision 4, is amended to read:

Subd. 4. [ADVISORY COMMITTEE.] By July 1, 1984, each county shall establish a solid waste management advisory committee to aid in the preparation of the county master plan ~~and~~, any revisions thereof *and such additional matters as the county deems appropriate*. The committee must consist of ~~one-third~~ citizen representatives, ~~one-third~~ representatives from towns and cities within the county, and ~~one-third~~ representatives from private waste management firms. ~~At least one-third of the members of~~ The committee must ~~be~~ include residents of towns or cities within the county containing ~~solid~~ waste disposal facilities and eligible solid waste disposal sites included in the council's disposal site inventory. Members of the council's solid waste advisory committee who reside in the county are *ex officio* members of the county advisory committee. A representative of the metropolitan council is an *ex officio* member of the committee.

Sec. 22. Laws 1987, chapter 348, section 51, subdivision 1, is amended to read:

Sec. 51. [APPROPRIATIONS; COMPLEMENT.]

Subdivision 1. [APPROPRIATIONS.] The following amounts are appropriated from the solid and hazardous waste account to the agencies and for the purposes and fiscal years specified:

1988

1989

(a) To the waste management board:

(1) For nonhazardous and industrial waste grants and technical assistance under section 3	\$ 25,000	\$ 25,000
(2) For public education under section 4	95,000	95,000
(3) For the solid waste management policy report under section 14	30,000	30,000
(4) For market development for recyclables under section 17	100,000	100,000
(5) For waste reduction and separation projects and technical assistance under section 21	150,000	150,000
(b) To the pollution control agency:		
(1) For the solid waste management policy report under section 14	30,000	30,000
(2) For household hazardous waste management under section 29	215,800	300,200
(3) For pilot waste pesticide collection under section 48	145,800	70,000
(c) To the department of public service for the notice and inspection program under section 36	3,600	3,600

Amounts unexpended in one fiscal year are available for expenditure in the other fiscal year.

Sec. 23. Laws 1987, chapter 404, section 24, subdivision 4, is amended to read:

Subd. 4. Solid Waste and Hazardous Waste Pollution Control

\$13,074,500

\$13,350,700

	Summary by Fund	
General	\$1,828,200	\$1,723,000
Special Revenue	\$ 988,300	\$ 951,700
Public Health	\$ 131,900	\$ 131,900
Environmental	\$2,233,400	\$2,233,400
Metro Landfill Abatement	\$1,134,000	\$1,134,000
Metro Landfill Contingency	\$ 662,000	\$ 162,000
Motor Vehicle Transfer	\$1,473,200	\$1,008,200
Water Pollution Control	\$4,623,500	\$6,006,500

(a) All money in the environmental response, compensation and compliance fund not otherwise appropriated, is appropriated to the pollution control agency for the purposes described in the environmental response and liability act, Minnesota Statutes, section 115B.20, subdivision 2, clauses (a), (b), (c), and (d). This appropriation is available until June 30, 1989.

(b) All money in the metropolitan landfill abatement fund not otherwise appropriated is

appropriated to the pollution control agency for payment to the metropolitan council and may be used by the council for the purposes of Minnesota Statutes, section 473.844. The council may not spend the money until the legislative commission on waste management has made its recommendations on the budget and work program submitted by the council.

(c) Any unencumbered balance from the metropolitan landfill contingency fund remaining in fiscal year 1988 does not cancel but is available for fiscal year 1989.

(d) A solid and hazardous waste account is created as a separate fund in the state treasury. The commissioner of finance shall transfer \$919,000 from the motor vehicle transfer fund and \$680,000 from the water pollution control fund over the biennium to the solid and hazardous waste fund.

(e) \$100,000 is appropriated for the household hazardous waste program created in the law styled as H.F. No. 794 of the 1987 legislative session. Any unencumbered balance remaining in the first year does not cancel and is available for the second year of the biennium.

(f) \$1,973,200 the first year and \$2,008,200 the second year are from the motor vehicle transfer fund for use in cleanup of waste tire dumps, as prioritized by the agency for waste tire management under section 12. Any unencumbered balance remaining in the first year does not cancel but is available for the second year.

\$4,500,000 the first year and \$5,900,000 the second year are appropriated from the water pollution control fund for transfer to the environmental response, compensation, and compliance fund. *The appropriations in paragraph (f) are available until expended.*

Sec. 24. Laws 1987, chapter 404, section 24, subdivision 6, is amended to read:

Subd. 6. Balances Canceled

\$6,235,800 the first year and \$6,117,200 the second year of the balance in the water pollution control fund must be canceled and transferred to the general fund on July 1, 1987, and July 1, 1988, respectively.

~~\$2,425,200 the first year and \$2,925,200 the second year~~ of the balance in the motor vehicle transfer fund must be canceled and transferred

to the general fund on July 1, 1987, and July 1, 1988, respectively.

Sec. 25. Laws 1980, chapter 564, article XII, section 1, subdivision 3, as amended by Laws 1983, chapter 299, section 31, and chapter 301, section 222, is amended to read:

Subd. 3. WASTE MANAGEMENT BOARD. 15,718,000

This appropriation is available for the following purposes:

(a) General Operations and Management. Approved Complement - 14. These positions are in the unclassified service and their continuation is dependent upon the availability of money from appropriations in this subdivision. When these appropriations have been expended the positions shall be cancelled and the approved complement reduced accordingly. The annual salary of the full-time chairperson of the board shall be \$45,000 established pursuant to section 15A.081, subdivision 1.

(b) Acquisition of Sites and Buffer Areas for Hazardous Waste

Facilities

6,200,000

This appropriation is from the state waste management fund, to be spent pursuant to article II, section 3, subdivision 4. Up to \$3,200,000 is available for, including payment of the costs of staff and independent professional services needed for the selection and acquisition of sites.

(c) Waste Processing Facility

Demonstration Program

8,800,000

This appropriation is from the state waste management fund, to be spent pursuant to article VI, sections 4 and 6. Up to 5 percent is available for administration and technical and professional services.

Sec. 26. [APPROPRIATION; COMPLEMENT.]

Subdivision 1. [WASTE MANAGEMENT BOARD.]

The following amounts are appropriated from the motor vehicle transfer fund to the waste management board for the following purposes:

Waste tire management programs under section 12. 2,200,200

Waste oil loans and grants and market feasibility studies under section 15. 525,000

These appropriations are available until expended.

The complement of the board is increased by six positions.

Subd. 2. [POLLUTION CONTROL AGENCY.] \$238,500 is appropriated to the pollution control agency from the environmental response, compensation, and compliance fund for the purposes of section 18 to be available until June 30, 1989. This appropriation must be returned to the fund through the cost recovery system under section 18.

The complement of the agency is increased by six positions, two of which are full-time temporary in the unclassified service, to develop an automated data base. When the data base is operational the unclassified positions terminate and the approved complement of the agency is reduced accordingly.

Sec. 27. [REPEALER.]

Minnesota Statutes 1986, sections 115A.14, subdivision 6; 115A.90, subdivision 4; 473.149, subdivision 2b; 473.803, subdivision 1a; 473.806; and 473.833; Minnesota Statutes 1987 Supplement, sections 115A.14, subdivision 5; 115A.41; 116.55; and 116M.07, subdivision 14, are repealed.

Sec. 28. [EFFECTIVE DATE.]

Sections 12, 13, 18, 23, 24, 26, and 27 are effective the day following final enactment."

Amend the title as follows:

Page 1, line 13, after the semicolon, insert "providing for interim classification of incinerator ash;"

Page 1, line 18, after "sections" insert "16B.24, subdivision 6;" and delete "subdivision 5" and insert "by adding a subdivision"

Page 1, line 21, after the semicolon, insert "473.803, subdivision 4;"

Page 1, line 22, delete "16B.61, subdivision 3;"

Page 1, line 23, delete "115A.95;"

Page 1, line 30, delete "and"

Page 1, line 31, after the semicolon, insert "473.149, subdivision 2b; 473.803, subdivision 1a; 473.806; and 473.833;"

Page 1, line 32, after "5;" insert "115A.41;"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Chmielewski from the Committee on Employment, to which was referred

S.F. No. 1718: A bill for an act relating to public safety; regulating boiler operation; amending Minnesota Statutes 1986, sections 183.411, subdivisions 1, 3, and by adding a subdivision; 183.466; 183.51, subdivisions 4, 7, and 10.

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

Page 2, after line 17, insert:

"Sec. 4. Minnesota Statutes 1987 Supplement, section 183.42, is amended

to read:

183.42 [INSPECTION EACH YEAR.]

Every owner, lessee, or other person having charge of boilers, pressure vessels or any boat subject to inspection under this chapter shall cause ~~the same~~ ~~them~~ to be inspected by the division of boiler inspection. Boilers and boats subject to inspection under this chapter shall ~~must~~ be inspected at least annually and pressure vessels inspected at least every two years *except as provided under section 183.45*. A person who fails to have the inspection required by this section shall pay to the commissioner a penalty in the amount of the cost of inspection up to a maximum of \$1,000.

Sec. 5. Minnesota Statutes 1986, section 183.45, is amended to read:

183.45 [INSPECTION.]

Subdivision 1. All boilers and steam generators shall ~~must~~ be inspected by the division of boiler inspection before ~~same~~ ~~they~~ are used and all boilers shall ~~must~~ be inspected at least once each year thereafter *except as provided under subdivision 2*. Inspectors may subject all boilers to hydrostatic pressure or hammer test, and shall ascertain by a thorough internal and external examination that they are well made and of good and suitable material; that the openings for the passage of water and steam, respectively, and all pipes and tubes exposed to heat, are of proper dimensions and free from obstructions; that the flues are circular in form; that the arrangements for delivering the feed water are such that the boilers cannot be injured thereby; and that such boilers and their connections may be safely used without danger to life or property. Inspectors shall ascertain that the safety valves are of suitable dimensions, sufficient in number, and properly arranged, and that the safety valves are so adjusted as to allow no greater pressure in the boilers than the amount prescribed by the inspector's certificate; that there is a sufficient number of gauge cocks, properly inserted, to indicate the amount of water, and suitable gauges that will correctly record the pressure; and that the fusible metals are properly inserted where required so as to fuse by the heat of the furnace whenever the water in the boiler falls below its prescribed limit; and that provisions are made for an ample supply of water to feed the boilers at all times; and that means for blowing out are provided, so as to thoroughly remove the mud and sediment from all parts when under pressure.

Subd. 2. [QUALIFYING BOILER.] (a) "Qualifying boiler" means a boiler of 200,000 pounds per hour or more capacity which has an internal continuous water treatment program approved by the department and which the chief boiler inspector has determined to be in compliance with paragraph (c).

(b) A qualifying boiler must be inspected at least once every 24 months internally and externally while not under pressure, and at least once every 18 months externally while under pressure. If the inspector considers it necessary to conduct a hydrostatic test to determine the safety of a boiler, the test must be conducted by the owner or user of the equipment under the supervision of an inspector.

(c) The owner of a qualifying boiler must keep accurate records showing the date and actual time the boiler is out of service, the reason or reasons therefor, and the chemical physical laboratory analysis of samples of the boiler water taken at regular intervals of not more than 48 hours of operation which adequately show the condition of the water, and any elements

or characteristics thereof, capable of producing corrosion or other deterioration of the boiler or its parts.

(d) If an inspector determines there are substantial deficiencies in equipment or in operating procedures, inspections of a qualifying boiler may be required once every 12 months until such time as the chief boiler inspector finds that the substantial deficiencies have been corrected."

Page 3, after line 31, insert:

"Sec. 10. [EFFECTIVE DATE.]

Sections 4 and 5 are effective the day following final enactment."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after "operation" insert "and inspections"

Page 1, line 5, after the first semicolon, insert "183.45;"

Page 1, line 6, before the period, insert "; and Minnesota Statutes 1987 Supplement, section 183.42"

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

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 1904: A bill for an act relating to health; requiring a review organization to report certain information to the board of medical examiners; exempting certain disciplinary actions from publication; expanding the grounds for disciplinary action; providing for temporary permit to practice physical therapy; allowing dissemination of data to other states; amending Minnesota Statutes 1986, sections 145.64; 147.02, subdivision 6; 147.091, subdivision 1; 148.71; 214.10, subdivision 8; and proposing coding for new law in Minnesota Statutes, chapter 145.

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

Page 1, line 22, delete the new language

Page 2, line 13, after the period, insert "*This section shall not be interpreted to prevent a review organization, or any institution, organization, or society by which it was established, from producing documents in response to a subpoena issued by the board of medical examiners pursuant to section 147.111, subdivision 9, or providing access to records of a patient pursuant to section 147.161, subdivision 3.*"

Page 2, delete section 2

Page 3, delete lines 1 to 9 and insert:

"Sec. 3. Minnesota Statutes 1986, section 147.02, is amended by adding a subdivision to read:

Subd. 6a. [EXCEPTION TO PUBLICATION REQUIREMENT.] The publication requirement does not apply to disciplinary"

Page 4, line 24, delete "607.341" and insert "609.344"

Page 4, line 25, delete "609.343" and insert "609.345"

Page 7, after line 8, insert:

"Sec. 4. Minnesota Statutes 1986, section 147.111, subdivision 2, is amended to read:

Subd. 2. [INSTITUTIONS.] Any hospital, clinic, prepaid medical plan, or other health care institution or organization located in this state shall report to the board any action taken by the institution or organization or any of its administrators or medical or other committees to revoke, suspend, restrict, or condition a physician's privilege to practice or treat patients in the institution, or as part of the organization, any denial of privileges, or any other disciplinary action. The institution or organization shall also report the resignation of any physicians prior to the conclusion of any disciplinary proceeding, or prior to the commencement of formal charges but after the physician had knowledge that formal charges were contemplated or in preparation. *Each report made under this subdivision must state the nature of the action taken, state in detail the reasons for the action, and identify the specific patient medical records upon which the action was based.* No report shall be required of a physician voluntarily limiting the practice of the physician at a hospital provided that the physician notifies all hospitals at which the physician has privileges of the voluntary limitation and the reasons for it.

Sec. 5. Minnesota Statutes 1986, section 147.111, subdivision 9, is amended to read:

Subd. 9. [SUBPOENAS.] The board may issue subpoenas for the production of any reports required by subdivisions 2 to 7 or any related documents *including patient medical records that may have been considered by a peer review organization. This subdivision does not apply to records of peer review proceedings and consultant reports used exclusively by a peer review organization.*

Page 7, line 24, delete "not" and insert "cannot be"

Page 7, lines 25 and 29, delete "shall expire" and insert "expires"

Page 9, line 36, delete "which" and insert "that" and delete "receive" and insert "obtain"

Page 10, after line 2, insert:

"Sec. 8. [REPEALER.]

Section 2 is repealed effective August 1, 1990."

Reorder the sections in sequence

Amend the title as follows:

Page 1, line 3, delete "report" and insert "produce" and delete "to" and insert "in response to a subpoena from"

Page 1, line 9, delete "subdivision 6" and insert "by adding a subdivision"

Page 1, line 10, after the first semicolon, insert "147.111, subdivisions 2 and 9;" and after the second semicolon, insert "and" and delete "; and" and insert a period

Page 1, delete lines 11 and 12

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

adopted.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 2162: A bill for an act relating to natural resources; authorizing the commissioner of natural resources to sell certain lands in Itasca county.

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

Page 1, line 16, before "are" insert "*or their successors in interest*"

Page 1, delete lines 20 to 25 and insert:

"(b) If a person other than Bruce R. Olsen and Donna K. Olsen purchases the land, the purchaser shall make payment in full to Bruce R. Olsen and Donna K. Olsen at the time of the sale for the appraised value of the improvements. Failure of a successful bidder to comply with this provision voids the sale and the property must be rebid."

Page 2, delete lines 1 to 3

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

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 2214: A bill for an act relating to natural resources; authorizing the commissioner to sell certain surplus lands to local governments for local recreation or natural resource purposes; specifying the amount above appraised value that the commissioner may pay when acquiring land; transferring certain duties of county auditors and treasurers relating to the sale of state land to the commissioner; authorizing long-term leases of state land for certain purposes; modifying certain provisions of land exchange laws relating to appraisals and fees; amending Minnesota Statutes 1986, sections 84.027, by adding a subdivision; 92.16, subdivision 1; 92.23; 92.24; 92.26; 92.27; 92.50, subdivision 1; 94.343, subdivision 3; and 94.348; Minnesota Statutes 1987 Supplement, section 84.0272; repealing Minnesota Statutes 1986, section 92.25.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 84.027, is amended by adding a subdivision to read:

Subd. 10. [SALE OF SURPLUS LANDS TO LOCAL GOVERNMENTS FOR RECREATIONAL OR NATURAL RESOURCES PURPOSES.] (a) The commissioner, with the approval of the state executive council, may sell the class of land or interest in land under paragraph (b) to a county, home rule charter or statutory city, town, or other governmental subdivision of the state for public use, including recreational or natural resource purposes.

(b) The commissioner may sell the class of land or interest in land that has been acquired by gift, purchase, or eminent domain and the commissioner has declared surplus. The commissioner shall declare land surplus

in writing and state the reasons why the land or interest in land is no longer needed.

(c) The commissioner shall appraise the land or interest in land before the land or interest in land is sold, and may sell the land or interest in land for less than the appraised value if the commissioner determines, in writing, that it is in the public interest.

(d) The commissioner shall convey the state's interest in the name of the state by quitclaim deed in a form approved by the attorney general. The deed must reserve to the state minerals and mineral rights in the manner provided in sections 93.01 and 93.02, and provide that the land or interest in land reverts to the state if the governmental subdivision acquiring the land or interest in land:

(1) fails to provide the public use intended on the property;

(2) allows a public use other than the public use agreed to by the commissioner at the time of conveyance without the written approval of the commissioner; or

(3) abandons the public use of the property.

Sec. 2. Minnesota Statutes 1987 Supplement, section 84.0272, is amended to read:

84.0272 [PROCEDURE IN ACQUIRING LANDS.]

When the commissioner of natural resources is authorized to acquire lands or interests in lands the procedure set forth in this section shall apply. The commissioner of natural resources shall first prepare a fact sheet showing the lands to be acquired, the legal authority for their acquisition, and the qualities of the land that make it a desirable acquisition. The commissioner of natural resources shall cause the lands to be appraised. An appraiser shall before entering upon the duties of office take and subscribe an oath to faithfully and impartially discharge the duties as appraiser according to the best of the appraiser's ability and that the appraiser is not interested directly or indirectly in any of the lands to be appraised or the timber or improvements thereon or in the sale thereof and has entered into no agreement or combination to purchase the same or any part thereof, which oath shall be attached to the report of the appraisal. The commissioner of natural resources shall may not agree to pay more than ten percent above the appraised value. New appraisals may be made at the discretion of the commissioner of natural resources.

Sec. 3. Minnesota Statutes 1986, section 84.631, is amended to read:

84.631 [~~ROAD EASEMENTS ACROSS TRAILS ESTABLISHED ON ACQUIRED RAILROAD RIGHTS-OF-WAY STATE LANDS.~~]

The commissioner, on behalf of the state, may convey a road easement across any abandoned railroad right-of-way which has been acquired by the state for trail purposes, and which is state land under the commissioner's jurisdiction other than school trust land, to a private person requesting an easement for access to property owned by the person only if the following requirements are met: (1) alternative methods to obtain access to the property have been sought and exhausted by the person seeking the easement through the establishment of a town or other local government road; and (2) the commissioner determines that the hardship to the person being deprived of access outweighs any adverse effects to the state-owned land

caused by encumbering the state-owned land with a road easement. On determining that an easement will be granted under this subdivision, the commissioner shall:

- (1) require the applicant to pay the market value of the easement, and shall;
- (2) provide in that the easement that it shall revert reverts to the state in the event of nonuse. The commissioner may; and
- (3) impose other terms and conditions of use as necessary and appropriate under the circumstances.

Sec. 4. [84.632] [CONVEYANCE OF UNNEEDED STATE FLOWAGE EASEMENTS.]

(a) Notwithstanding section 92.45, the commissioner of natural resources may, in the name of the state, release a flowage easement acquired by the state to a landowner whose property is burdened with the flowage easement if the flowage easement is not needed for state purposes.

(b) The entire, or a portion of a, flowage easement may be released by payment of consideration in an amount determined by the commissioner. The conveyance must be by quitclaim deed in a form approved by the attorney general.

(c) Money received for the flowage easement shall be deposited in the account from which money was expended for purchase of the flowage easement.

Sec. 5. Minnesota Statutes 1986, section 85.015, subdivision 1, is amended to read:

Subdivision 1. [ACQUISITION.] (a) The commissioner of natural resources shall establish, develop, maintain, and operate the trails designated in this section. Each trail shall have the purposes assigned to it in this section. The commissioner of natural resources may acquire lands by gift or purchase, in fee or easement, for the trail and facilities related to the trail.

(b) The commissioner of natural resources, in the name of the state, may sell surplus lands not needed for trail purposes to adjoining property owners and leaseholders. The conveyance must be by quitclaim in a form approved by the attorney general for a consideration not less than the appraised value.

Sec. 6. [92.025] [SCHOOL TRUST LAND DEFINITION.]

For purposes of chapters 92 and 94, "school trust land" means land granted by the United States for use of schools within each township, swampland granted to the state, and internal improvement land that are reserved for permanent school fund purposes under the Minnesota Constitution, article XI, section 8, and land exchanged, purchased, or granted to the permanent school fund.

Sec. 7. Minnesota Statutes 1986, section 92.16, subdivision 1, is amended to read:

Subdivision 1. [CONTENTS; DEFAULT, RESALE.] At the time of the sale the commissioner shall execute, acknowledge, and deliver to the purchaser a certificate of sale, numbered and made assignable, certifying the description of the land sold, its quantity, the price per acre, the consideration paid and to be paid, and the time and terms of payment. A certificate must

not be delivered until the sum required by law to be paid at the time of the sale is paid to the treasurer of the county where the sale takes place. The sum includes costs determined by the commissioner to be associated with the sale such as survey, appraisal, publication, deed tax, filing fee, and similar costs. If the purchaser fails to pay the sum, the commissioner may immediately reoffer the land for sale, but no a bid may not be received accepted from the person so failing to pay the original offer.

Sec. 8. Minnesota Statutes 1986, section 92.23, is amended to read:

92.23 [PAYMENTS; RECEIPTS; LIABILITY OF OFFICIALS.]

The holder of a certificate of sale may pay the treasurer of the county containing the land commissioner any amount due on the certificate. The treasurer commissioner shall issue quadruplicate duplicate receipts specifying the date, the name and address of the person making the payment, the amount paid, whether for principal or interest, the fund to which it is applicable, and the number of the certificate. The receipt must be countersigned by the auditor of the county, and has the same effect as if given by the state treasurer. The county treasurer commissioner shall deliver one copy to the holder of the certificate, one to the county auditor, one to the commissioner, and retain one copy.

The liability under the official bonds of county treasurers and of their deputies and employees includes liability for the faithful performance of their duties under this section.

Sec. 9. Minnesota Statutes 1986, section 92.24, is amended to read:

92.24 [MONEY PAID TO STATE TREASURER.]

The county treasurer must hold commissioner shall pay over all money received on account of certificates of sale subject to the order of the state treasurer for deposit as required by section 92.28 and other applicable laws. On June 30 and December 31 each year and at other times when requested by the state treasurer, the county treasurer shall pay into the state treasury the money received since the last payment.

Sec. 10. Minnesota Statutes 1986, section 92.26, is amended to read:

92.26 [STATEMENT OF SALES.]

Before May 2 each year the director commissioner shall transmit to each county treasurer who has executed and returned bond prepare a statement showing the lands sold in that each county, the classes to which they belong, the numbers of the certificates of sale, the name of the persons to whom each was issued, and the amount of principal and interest due on each certificate on June 1. The director commissioner shall provide instructions and forms to enable the treasurer to carry out this chapter forward copies of the statement to the governor and to the commissioner of finance.

Sec. 11. Minnesota Statutes 1986, section 92.27, is amended to read:

92.27 [COUNTY AUDITORS; DUTIES AND POWERS COMMISSIONER'S REPORT ON CLOSE OF SALE.]

At the time required by law to return abstracts of settlement to the commissioner or at any other time requested by the commissioner, the county auditor shall forward to the commissioner all duplicate receipts of principal, interest, or penalties delivered to the auditor, with a certified statement of collections by the county treasurer. The certified statement

must specify the amount of each item. The county auditor commissioner or the commissioner's designated agent shall act as clerk of land sales made by the commissioner and may make sales when authorized by the commissioner, in which case the auditor's deputy shall act as clerk. Immediately after the close of all sales, the county auditor commissioner shall prepare a report to the commissioner the description of describing each tract sold, the amount for which it was sold, and the amount paid. For each day while so engaged the county auditor shall be paid \$3. Payment must be made out of any appropriation for the appraisal and sale of these lands.

Sec. 12. Minnesota Statutes 1986, section 92.29, is amended to read:

92.29 [LAND PATENTS.]

The governor commissioner of natural resources shall sign and issue, in the name of the state and under the seal of the state, attested by the commissioner, a patent for the land described in any certificate of sale when it is presented endorsed with the certificate of the commissioner (1) that the principal and interest specified in it the certificate of sale and all taxes due on this the land have been paid and (2) that. The patent should issue shall be issued to the named patentee. The patentee shall be the purchaser named in the certificate of sale, or the purchaser's successor in interest by execution, judicial, mortgage or tax sale, or the assignee, vendee, heir or devisee of the purchaser, as shown by a properly certified abstract of title or other evidence if the named patentee purchaser's successor is any a person other than the original purchaser named in the certificate of sale. If the certificate of sale has become lost or destroyed, an affidavit stating that fact must be submitted by the applicant for a patent.

Sec. 13. Minnesota Statutes 1986, section 92.50, subdivision 1, is amended to read:

Subdivision 1. [LEASE TERMS.] (a) The commissioner of natural resources may lease, at public or private vendue and at the prices and under the terms and conditions the commissioner may prescribe, any state-owned lands land under the commissioner's jurisdiction and control for the purpose of taking and removing:

(1) to remove sand, gravel, clay, rock, marl, peat, and black dirt, for storing;

(2) to store ore, waste materials from mines, or rock and tailings from ore milling plants;

(3) for roads or railroads; or

(4) for any other uses consistent with the interests of the state. Except as otherwise provided in this subdivision, the term of

(b) The commissioner shall offer the lease at public or private sale for an amount and under terms and conditions prescribed by the commissioner. Commercial leases for more than 10 years and leases for removal of peat must be approved by the executive council.

(c) The lease term may not exceed ten years- except:

(1) leases of lands for storage sites for ore, waste materials from mines, or rock and tailings from ore milling plants, or for the removal of peat, or for the use of peat lands for agricultural purposes may not exceed a term of 25 years- Leases for the removal of peat must be approved by the executive council;

(2) leases for the use of peat lands for agricultural purposes may not exceed 21 years; and

(3) leases for commercial purposes, including major resort, convention center, or recreational area purposes, may not exceed a term of 40 years.

All (d) Leases must be subject to sale and leasing of the land for mineral purposes and contain a provision for cancellation for just cause at any time by the commissioner upon six months' written notice. A longer notice period, not exceeding three years, may be provided in leases for storing ore, waste materials from mines or rock or tailings from ore milling plants. The commissioner may determine the terms and conditions, including the notice period, for cancellation of a lease for the removal of peat and commercial leases.

(e) Money received from leases under this section must be credited to the fund to which the land belongs.

Sec. 14. Minnesota Statutes 1986, section 94.342, subdivision 3, is amended to read:

Subd. 3. [CLASS C.] ~~No land specifically designated by law as a state park shall be given in exchange hereunder unless expressly authorized by the legislature.~~

No Land bordering on or adjacent to any meandered or other public waters and withdrawn from sale by law shall is Class C land. Class C land may not be given in exchange unless expressly authorized by the legislature or unless through the same exchange the state acquires land on the same or other public waters in the same general vicinity affording at least equal opportunity for access to the waters and other riparian use by the public; provided, that any exchange with the United States or any agency thereof may be made free from this limitation upon condition that the state land given in exchange bordering on public waters shall be subject to reservations by the state for public travel along the shores as provided by Minnesota Statutes 1945, section 92.45, and that there shall be reserved by the state such additional rights of public use upon suitable portions of of such state land as the commissioner of natural resources, with the approval of the land exchange board, may deem necessary or desirable for camping, hunting, fishing, access to the water, and other public uses.

Sec. 15. Minnesota Statutes 1986, section 94.342, is amended by adding a subdivision to read:

Subd. 4. [STATE PARK LAND.] Land specifically designated by law as a state park may not be given in exchange unless the land is school trust land that is exchanged for Class A or Class C land located outside a state park.

Sec. 16. Minnesota Statutes 1986, section 94.342, is amended by adding a subdivision to read:

Subd. 5. [SCHOOL TRUST LAND.] School trust land may be exchanged with other state land only if the permanent school fund advisory committee is appointed as temporary trustee of the school trust land for purposes of the exchange. The committee shall provide independent legal counsel to review the exchanges.

Sec. 17. Minnesota Statutes 1986, section 94.343, subdivision 3, is amended to read:

Subd. 3. Except as otherwise herein provided, Class A land shall be exchanged only for land of at least substantially equal value to the state, as determined by the commissioner, with the approval of the board. For the purposes of such determination, the commissioner shall cause the state land and the land proposed to be exchanged therefor to be examined and appraised by qualified state appraisers *as provided in section 92.12* in like manner as ~~state school trust~~ land to be offered for sale; provided, that in exchanges with the United States or any agency thereof the examination and appraisal may be made in such manner as the land exchange board may direct. The appraisers shall determine the fair market value of the lands involved, disregarding any minimum value fixed for state land by the state constitution or by law, and shall make a report thereof, together with such other pertinent information respecting the use and value of the lands to the state as they deem pertinent or as the commissioner or the board may require. Such reports shall be filed and preserved in the same manner as other reports of appraisal of state lands. The appraised values shall not be conclusive, but shall be taken into consideration by the commissioner and the board, together with such other matters as they deem material, in determining the values for the purposes of exchange.

Sec. 18. Minnesota Statutes 1986, section 94.343, subdivision 9, is amended to read:

Subd. 9. No exchange of Class A land shall be consummated unless the attorney general shall have given an opinion in writing that the title to the land proposed to be conveyed to the state is good and marketable, free from all liens and encumbrances except reservations herein authorized, *or title insurance is acquired by the commissioner to protect the interests of the state in the title.* If required by the attorney general, the land owner shall submit an abstract of title and make and file with the commissioner an affidavit as to possession of the land, improvements, liens, and encumbrances thereon, and other matters affecting the title.

Sec. 19. Minnesota Statutes 1986, section 94.344, subdivision 1, is amended to read:

Subdivision 1. Except as otherwise ~~herein~~ provided, ~~any~~ Class B land ~~may~~, by resolution of the county board of the county ~~in which~~ *where* the land is ~~situated~~ *located* and with the unanimous approval of the land exchange board, *may* be exchanged for ~~land of the United States any publicly held~~ or privately owned land in the same county ~~in the manner and subject to the conditions herein prescribed.~~

Sec. 20. Minnesota Statutes 1986, section 94.344, subdivision 3, is amended to read:

Subd. 3. Except as otherwise ~~herein~~ provided, Class B land ~~shall~~ *may* be exchanged only for land of ~~at least~~ substantially equal value *or greater value* to the state, as determined by the county board, with the approval of the commissioner and the *land exchange* board. *For an exchange involving Class B land for Class A or Class C land, the value of the lands shall be determined by the commissioner, with approval of the land exchange board. For purposes of the determination, the commissioner shall appraise the state and tax-forfeited land proposed to be exchanged in the same manner as school trust land. For the all other purposes of such determination,* the county board shall appraise the state land and the land ~~proposed to be exchanged therefor in the proposed exchange in like the same manner~~ as tax-forfeited land to be offered for sale. The appraised values shall not

be conclusive, but shall be taken into consideration, together with such other matters as may be deemed material, in determining the values for the purposes of exchange.

Sec. 21. Minnesota Statutes 1986, section 94.344, subdivision 7, is amended to read:

Subd. 7. (a) *Except for land described in paragraph (b), before giving final approval to any exchange of Class B land, the county board shall hold a public hearing thereon. At least two weeks before the hearing the county auditor shall post in the auditor's office a notice thereof, containing a description of the lands affected.*

(b) *In an exchange of Class B land for Class A or Class C land the commissioner is responsible for holding the public hearing.*

Sec. 22. Minnesota Statutes 1986, section 94.344, subdivision 10, is amended to read:

Subd. 10. After approval by the county board, every proposal for the exchange of Class B land shall be transmitted to the commissioner in such form and with such information as the commissioner may prescribe for consideration by the commissioner and by the board. The county attorney's opinion on the title, with the abstract and other evidence of title, if any, shall accompany the proposal. If the proposal be approved by the commissioner and the board and the title be approved by the attorney general, the same shall be certified to the commissioner of revenue, who shall execute a deed in the name of the state conveying the land given in exchange, with a certificate of unanimous approval by the board appended, and transmit the deed to the county auditor to be delivered upon receipt of a deed conveying to the state the land received in exchange, approved by the county attorney; provided, that if any amount is due the state under the terms of the exchange, the deed from the state shall not be executed or delivered until such amount is paid in full and a certificate thereof by the county auditor is filed with the commissioner of revenue. The county auditor shall cause all deeds received by the state in such exchanges to be recorded or registered, and thereafter shall file the deeds or the certificates of registered title in the auditor's office. *If the land received by the county in the exchange is either Class A or Class C land, the commissioner of revenue shall deliver the deed for the Class B land to the commissioner of natural resources and following the recording of this deed, the commissioner of natural resources shall deliver to the county auditor a deed conveying the Class A or Class C land to the county auditor to be recorded or registered, and afterwards file the deeds or the certificate of registered title in the auditor's office.*

Sec. 23. Minnesota Statutes 1986, section 94.348, is amended to read:

94.348 [EXCHANGES OF STATE OWNED LAND, APPRAISAL FEE.]

Subdivision 1. Whenever a private land owner or governmental unit, except the state, presents to the Minnesota land exchange board, an offer to exchange private or publicly held land for Class A state-owned land as defined in section 94.342, the private land owner shall deposit with or governmental unit shall pay to the board an appraisal and survey fee of not less than \$25 nor more than \$100, the amount to be one-half of the cost of appraisal and survey determined by the board, depending upon the area of land involved in the offer commissioner.

Subd. 2. ~~If the offer of the private land owner is accepted by the board and the land exchange is consummated, or, if the board refuses to accept the offer the appraisal fee shall be refunded, otherwise the appraisal fee shall be retained by the board.~~ [APPRAISAL AND SURVEY FEE.] (a) *Except as provided in paragraph (b), the appraisal and survey fee shall be retained by the board.*

(b) *The appraisal and survey fee shall be refunded if:*

(1) *the land exchange offer is withdrawn by a private land owner or a governmental unit before money is spent for the appraisal and survey; or*

(2) *the board refuses to accept the land exchange offer.*

Sec. 24. Minnesota Statutes 1987 Supplement, section 105.392, subdivision 4, is amended to read:

Subd. 4. [PAYMENT AND HELP TO OWNER.] In return for the easement of the owner, the commissioner must provide advice on conservation and development practices on the wetlands and adjacent areas for the purposes of this section as the commissioner determines to be appropriate. The commissioner must make the following payments to the landowner for the easement:

(1) for a permanent easement, 50 percent of the average equalized estimated market value of cropland in the township as established by the commissioner of revenue for the time period when the application is made;

(2) for an easement of limited duration, a lump sum payment equal to ~~the present value of the annual payments for the term of the easement based on 50 percent of the mean adjusted cash rental for cropland in the county as established by the commissioner of revenue~~ *65 percent of the value of the permanent easement value* for the time period when the application is made; or

(3) *an alternative payment system for easements based on cash rent or a similar system as may be determined by the commissioner.*

Sec. 25. [REPEALER.]

Minnesota Statutes 1986, section 92.25, is repealed.

Sec. 26. [EFFECTIVE DATE.]

Sections 6 to 11 and 25 are effective January 1, 1989."

Delete the title and insert:

"A bill for an act relating to natural resources; authorizing the commissioner to sell certain surplus lands to local governments for local recreation or natural resource purposes; authorizing the commissioner of natural resources to convey road and flowage easements in certain circumstances; transferring duties and powers of county auditors and treasurers relating to sales of certain classes of state land to the commissioner; transferring the authority to issue state land patents from the governor to the commissioner; specifying the amount above appraised value that the commissioner may pay when acquiring land; authorizing long-term leases of state land for certain purposes; modifying certain provisions of land exchange laws relating to appraisals and fees; implementing exchanges of public land authorized by the constitution; authorizing exchange of school trust land located within a state park; appointing an independent trustee and legal counsel for land exchanges involving school trust land; providing a procedure for

exchange of Class B land with Class A or Class C land; authorizing governmental units to exchange land in the same manner as private persons; amending Minnesota Statutes 1986, sections 84.027, by adding a subdivision; 84.631; 85.015, subdivision 1; 92.16, subdivision 1; 92.23; 92.24; 92.26; 92.27; 92.29; 92.50, subdivision 1; 94.342, subdivision 3, and by adding subdivisions; 94.343, subdivisions 3 and 9; 94.344, subdivisions 1, 3, 7, and 10; 94.348; Minnesota Statutes 1987 Supplement, sections 84.0272; and 105.392, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 84 and 92; repealing Minnesota Statutes 1986, section 92.25."

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

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 2165: A bill for an act relating to environment; requiring persons to notify the pollution control agency of and take steps to avoid air pollution; proposing coding for new law in Minnesota Statutes, chapter 116.

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

Delete everything after the enacting clause and insert:

"Section 1. [116.061] [AIR POLLUTION EMISSIONS AND ABATEMENT.]

Subdivision 1. [EMISSION NOTIFICATION REQUIRED.] (a) A person who controls the source of an emission must notify the agency immediately of emissions that:

- (1) cause air pollution endangering human health;*
- (2) cause air pollution damaging property; or*
- (3) cause obnoxious odors constituting a public nuisance.*

(b) If a person who controls the source of an emission has knowledge of an event that has occurred and that will subsequently cause an emission described in paragraph (a), the person must notify the agency when the event occurs.

Subd. 2. [ABATEMENT REQUIRED.] A person who is required to notify the agency under subdivision 1 must minimize the emissions and abate the air pollution and obnoxious odors caused by the emissions."

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

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 1927: A bill for an act relating to health; requiring certification of certain environmental laboratories; establishing an environmental laboratory certification account in the state treasury; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 144.

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

Delete everything after the enacting clause and insert:

“Section 1. [144.97] [DEFINITIONS.]

Subdivision 1. [CERTIFICATION.] “Certification” means written acknowledgment of a laboratory’s demonstrated capability to perform tests for a specific purpose.

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

Subd. 3. [CONTRACT LABORATORY.] “Contract laboratory” means a laboratory that performs tests on samples on a contract or fee-for-service basis.

Subd. 4. [LABORATORY.] “Laboratory” means the state, a person, corporation, or other entity, including governmental, that examines, analyzes, or tests samples.

Subd. 5. [SAMPLE.] “Sample” means a substance derived from a non-human source and collected for the purpose of analysis, or a tissue, blood, excretion, or other bodily fluid specimen obtained from a human for the detection of a chemical, etiologic agent, or histologic abnormality.

Sec. 2. [144.98] [CERTIFICATION OF ENVIRONMENTAL LABORATORIES.]

Subdivision 1. [AUTHORIZATION.] The commissioner of health may certify laboratories that test environmental samples.

Subd. 2. [RULES.] The commissioner may adopt rules to implement this section, including:

(1) procedures, requirements, and fee adjustments for laboratory certification, including provisional status and recertification;

(2) standards and fees for certificate approval, suspension, and revocation;

(3) standards for environmental samples;

(4) analysis methods that assure reliable test results;

(5) laboratory quality assurance, including internal quality control, proficiency testing, and personnel training; and

(6) criteria for recognition of certification programs of other states and the federal government.

Subd. 3. [FEES.] (a) An application for certification under subdivision 1 must be accompanied by the annual fee specified in this subdivision. The fees are for:

(1) base certification fee, \$250; and

(2) test category certification fees:

<i>Test Category</i>	<i>Certification Fee</i>
<i>Bacteriology</i>	<i>\$100</i>
<i>Inorganic chemistry, less than 4 contaminants</i>	<i>\$ 50</i>
<i>Inorganic chemistry, 4 or more contaminants</i>	<i>\$150</i>
<i>Chemistry metals, less than 4 contaminants</i>	<i>\$100</i>
<i>Chemistry metals, 4 or more contaminants</i>	<i>\$250</i>

Volatile organic compounds \$300

Other organic compounds \$300.

(b) *The total annual certification fee is the base fee plus the applicable test category fees. The annual certification fee for a contract laboratory is 1.5 times the total certification fee.*

(c) *Laboratories located outside of this state that require an on-site survey will be assessed an additional \$1,200 fee.*

(d) *The commissioner of health may adjust fees under section 16A.128, subdivision 2. Fees must be set so that the total fees support the laboratory certification program. Direct costs of the certification service include program administration, inspections, the agency's general support costs, and attorney general costs attributable to the fee function.*

Subd. 4. [FEES FOR LABORATORY PROFICIENCY TESTING AND TECHNICAL TRAINING.] *The commissioner of health may set fees for proficiency testing and technical training services under section 16A.128. Fees must be set so that the total fees will include the following direct costs of the proficiency testing and technical training services, including salaries, supplies and equipment, travel expenses, and attorney general costs attributable to the fee function.*

Subd. 5. [LABORATORY CERTIFICATION ACCOUNT.] *There is an account in the state treasury called the laboratory certification account. Fees collected under this section and appropriations for the purposes of this section must be put into the laboratory certification account. Money in the laboratory certification account is annually appropriated to the commissioner of health to administer this section.*

Sec. 3. [EFFECTIVE DATE.]

Section 2, subdivision 2, is effective the day after final enactment."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 1748: A bill for an act relating to fish and game; providing experimental fox hunting trespass exceptions; providing an experimental 23-day pheasant season; providing an experimental mourning dove season; establishing conditions to take blackbirds, cowbirds, grackles, magpies, and crows causing depredation; amending Minnesota Statutes 1986, sections 97A.015, subdivision 52; 97B.001, subdivision 2, and by adding a subdivision; 97B.715, by adding a subdivision; and 97B.731, subdivision 2, and by adding subdivisions.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 97B.001, subdivision 2, is amended to read:

Subd. 2. [PERMISSION REQUIRED TO ENTER AGRICULTURAL

LAND TO HUNT OR OPERATE VEHICLES.] Except as provided in subdivisions 5 ~~and~~, 6, and section 2, a person may not enter agricultural land to hunt or operate a motor vehicle for pleasure purposes, unless the person obtains permission of the owner, occupant, or lessee.

Sec. 2. Minnesota Statutes 1986, section 97B.001, is amended by adding a subdivision to read:

Subd. 9. [EXPERIMENTAL FOX HUNTING.] Beginning in calendar years 1988 and 1989 from December 16 until February 15, a person on foot taking fox may enter land that is not posted without permission.

Sec. 3. Minnesota Statutes 1986, section 97B.731, subdivision 2, is amended to read:

Subd. 2. [TAKING MOURNING DOVES GENERALLY PROHIBITED.] Except as provided in section 4, mourning doves may not be taken in the state.

Sec. 4. Minnesota Statutes 1986, section 97B.731, is amended by adding a subdivision to read:

Subd. 3. [EXPERIMENTAL MOURNING DOVE SEASON.] In 1988 and 1989 the commissioner may prescribe an open season and limits for mourning doves west of U.S. trunk highway No. 71.

Sec. 5. Minnesota Statutes 1986, section 97B.731, is amended by adding a subdivision to read:

Subd. 4. [BLACKBIRD, COWBIRD, GRACKLE, MAGPIE, AND CROW DEPREDATION.] (a) Yellow-headed red-winged, bi-colored red-winged, Rusty's, and Brewer's blackbirds, cowbirds, grackles, magpies, and crows may be taken if:

(1) committing or about to commit depredation on ornamental or shade trees, agricultural crops, livestock, or wildlife; or

(2) concentrated in numbers and in a manner to constitute a health hazard or other nuisance.

(b) Birds taken under this subdivision or their plumage may not be sold or offered for sale, but may be possessed, transported, and otherwise disposed of or utilized.

Sec. 6. Minnesota Statutes 1986, section 97B.731, is amended by adding a subdivision to read:

Subd. 5. [CROW SEASON.] The commissioner may prescribe an open season and restrictions for taking crows.

Sec. 7. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Amend the title as follows:

Page 1, line 3, delete everything after the semicolon

Page 1, line 4, delete everything before "providing"

Page 1, line 8, delete "97A.015, subdivision 52;"

Page 1, lines 9 and 10, delete "97B.715, by adding a subdivision;"

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

adopted.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 1689: A bill for an act relating to game and fish; closing date for fishing season on the Rainy River; repealing Minnesota Statutes 1987 Supplement, section 97C.402.

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

Delete everything after the enacting clause and insert:

“Section 1. [97C.347] [LANDING NETS.]

Subdivision 1. [USE AND POSSESSION.] A person may use and possess a landing net to net a fish taken by angling.

Subd. 2. [ELECTRIC LANDING NETS.] A person may net fish taken by angling with a battery operated landing net that discharges an electric current if the net is designed to temporarily immobilize the fish so that it can be safely released.

Sec. 2. [97C.403] [RAINY RIVER WALLEYE RESTRICTIONS.]

Subdivision 1. [LIMIT.] (a) The possession limit for walleyes taken from the Rainy River is six per day.

(b) Only one walleye over 19-1/2 inches in length may be included in the limit taken from the Rainy River each day.

Subd. 2. [OPEN SEASON.] The open season for walleye in the Rainy River is from the third Saturday in May until April 14.

Sec. 3. [1988-1989 SPRING WALLEYE SEASON.]

From the effective date of this section until April 14, 1988, and from March 1 until April 14, 1989, a person may take walleyes from the Rainy River but the walleyes taken must be released after being caught.

Sec. 4. [REPEALER.]

Minnesota Statutes 1987 Supplement, section 97C.402, is repealed.

Sec. 5. [EFFECTIVE DATE.]

This act is effective the day after final enactment.”

Delete the title and insert:

“A bill for an act relating to game and fish; prescribing limits and seasons for angling in the Rainy River; proposing coding for new law in Minnesota Statutes, chapter 97C; repealing Minnesota Statutes 1987 Supplement, section 97C.402.”

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

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 1674: A bill for an act relating to environment; prescribing criminal penalties for violation of certain statutes, rules, or permits relating

to pollution control; amending Minnesota Statutes 1987 Supplement, section 115.071, subdivision 2; and 609.671.

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

Page 6, line 7, after "who" insert "willfully" and delete "as a" and insert a colon

Page 6, delete line 8

Page 6, line 14, delete "information reporting, monitoring,"

Page 6, line 15, delete "sampling."

Page 6, lines 17, 33, and 36, after the first "or" insert ", with respect to pollution of the waters of the state, chapter"

Page 6, line 22, delete "\$300" and insert "\$2,500"

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

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 1806: A bill for an act relating to state lands; authorizing private conveyance of tax-forfeited land in Beltrami county.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 1665: A bill for an act relating to environment; authorizing the pollution control agency to train certain persons involved with sewage treatment systems and to charge a training fee; appropriating money; amending Minnesota Statutes 1986, section 115.03, subdivision 1.

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

Delete everything after the enacting clause and insert:

"Section 1. [APPROPRIATION.]

\$225,000 is appropriated from the general fund to the regents of the University of Minnesota to be available until June 30, 1989, for the following purposes:

(a) for personnel in the agricultural engineering department to conduct extension educational programs for on-site sewage treatment

\$75,000

(b) for personnel in the agricultural engineering department to conduct extension educational programs for wastewater treatment in small communities

\$75,000

(c) for personnel in the soil science department to develop and coordinate the physical, chemical, and biological aspects of applying waste materials to soil and their impact on water quality

\$75,000”

Delete the title and insert:

“A bill for an act relating to environment; appropriating money for personnel to deal with rural water supply, waste management, and on-site sewage treatment to deal with water quality problems.”

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 1735: A bill for an act relating to game and fish; providing for restitution for wild animals that are illegally killed or injured; providing for civil penalties for wild animals killed or injured; restricting expenditures from restitution to replacement and propagation of wild animals illegally killed or injured; amending Minnesota Statutes 1986, section 97A.065, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 97A.

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

Page 2, line 36, delete “*or other persons*”

And when so amended the bill do pass and be re-referred to the Committee on Judiciary. Amendments adopted. Report adopted.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was re-referred

S.F. No. 517: A bill for an act relating to agriculture; providing for selection, sale, and development of state land to produce wild rice; amending Minnesota Statutes 1986, section 92.501, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 30.

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

Delete everything after the enacting clause and insert:

“Section 1. [30.30] [WILD RICE LANDS.]

Subdivision 1. [SELECTION OF WILD RICE LANDS TO BE SOLD.]

(a) The commissioner of natural resources and the commissioner of agriculture in joint agreement in consultation with Native American wild rice harvesters, conservation organizations, organizations representing the wild rice industry in the state, and potentially affected counties, towns, and watershed districts, shall select approximately 1,500 acres of state land each year to be offered for sale to persons intending to produce wild rice. The commissioner shall give priority to land that:

(1) is adjacent to existing wild rice production areas; and

(2) has been requested by a wild rice producer to be sold for wild rice production.

(b) Wild rice land that is part of the school trust fund is exempt from selection for sale to wild rice producers.

(c) Land is not exempt from selection solely because it may be subject to mineral exploration.

Subd. 2. [WILD RICE LANDS TO BE SOLD.] (a) Land selected for wild rice production under subdivision 1 must be offered for public sale by September 1 of each year.

(b) All contracts to sell land selected for wild rice production must provide an option for the state to repurchase the parcel at the initial sales price if at least 50 percent of the parcel sold has not been developed for wild rice production within five years of the sale. The commissioner of natural resources may exercise the option to repurchase a parcel that has not been adequately developed, but must consider the market conditions affecting the supply and demand of wild rice production in the state and in the United States before exercising the option.

Subd. 3. [EXERCISE OF MINERAL RIGHTS.] If the state exercises its reserved mineral rights in land selected and sold under this section, the owner must be compensated by the state for damage to improvements and any impaired ability to grow wild rice caused by the exercise of mineral rights.

Subd. 4. [RULES.] The commissioners of agriculture and natural resources may adopt rules by joint agreement to implement this section.

Sec. 2. [30.491] [WILD RICE LABELING.]

A person may not label wild rice that is not grown or harvested in this state with labeling that states "Minnesota state grain," "state grain" or otherwise implies that the wild rice is grown or harvested in this state, unless the wild rice being labeled contains at least 80 percent wild rice grown or harvested in this state.

Sec. 3. Minnesota Statutes 1986, section 92.501, subdivision 2, is amended to read:

Subd. 2. [WILD RICE LAND DESIGNATION AND DEVELOPMENT.] (a) The commissioner of natural resources and the commissioner of agriculture shall, by joint agreement, prepare a plan in consultation with organizations representing the wild rice industry in the state, Native American wild rice harvesters, conservation organizations, and potentially affected counties, towns, and watershed districts, that designates state land for wild rice production including an inventory of the number of acres of land appropriate and suitable for wild rice development, sale, and leasing in each county. The inventory must include the number of acres suitable for wild rice development that are located on school trust fund lands. Proposed mineral exploration does not exempt land from being designated for wild rice development.

(b) The initial designation plan and inventory must be completed by December 31, 1988, and updated every five years. The designation plan and inventory must be distributed to organizations representing the wild rice industry in the state.

Sec. 4. [FIRST SALE OF SELECTED LANDS.]

Notwithstanding section 1, subdivision 2, the commissioner of natural resources shall complete the first offer of selected wild rice lands by two years after the effective date of this act. The commissioner of natural resources must prepare a report and submit the report to the house of representatives and senate committees on environment and agriculture.

Sec. 5. [REPEALER.]

Sections 1 and 4 are repealed July 1, 1991.

Sec. 6. [EFFECTIVE DATE.]

This act is effective the day after final enactment."

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "requiring a report;"

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

Mr. Merriam from the Committee on Finance, to which was referred

H.F. No. 1749: A bill for an act relating to transportation; increasing the tax on gasoline and special fuel to 20 cents per gallon; increasing the share of motor vehicle excise tax revenues dedicated to highways and transit to 35 percent; amending Minnesota Statutes 1986, section 296.02, subdivision 1b; and Minnesota Statutes 1987 Supplement, sections 296.025, subdivisions 2a and 2b; and 297B.09, subdivision 1.

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

Pages 2 to 4, delete section 4 and insert:

"Sec. 4. [APPROPRIATION.]

\$71,580,000 is appropriated from the general fund for fiscal year 1989 for the purposes indicated. One-half of the amounts in paragraphs (a) and (b) must be transferred to the funds indicated on July 15, 1988, and one-half on January 15, 1989.

(a) To the trunk highway fund \$53,685,000

(b) To the transit assistance fund 17,895,000"

Page 4, delete line 4 and insert:

"Sections 1 to 3 are effective April 1, 1988, and apply to"

Amend the title as follows:

Page 1, line 5, delete "dedicated to" and insert "used for"

Page 1, line 6, after the semicolon, insert "appropriating money;"

Page 1, delete lines 8 and 9 and insert "Supplement, section 296.025, subdivisions 2a and 2b."

And when so amended the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Amendments adopted. Report adopted.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 1754: A bill for an act relating to economic development; providing methods to remove hazardous substances to facilitate economic development; authorizing loans; appropriating money; amending Minnesota Statutes 1987 Supplement, sections 469.174, subdivision 7, and by adding a subdivision; 469.175, by adding a subdivision; and 469.176, subdivisions 1 and 5; proposing coding for new law in Minnesota Statutes, chapter 116J.

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

Delete everything after the enacting clause and insert:

“Section 1. [116J.990] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this subdivision apply to this section. The definitions in sections 115B.02 and 115C.02, subdivision 10, that are not defined in this subdivision apply to sections 2 to 4.

Subd. 2. [COMMISSIONER.] “Commissioner” means the commissioner of trade and economic development.

Subd. 3. [DEVELOPMENT RESPONSE ACTION PLAN.] “Development response action plan” means a plan of removal actions or remedial actions developed in accordance with this section.

Subd. 4. [HAZARDOUS SUBSTANCE LOAN.] “Hazardous substance loan” or “loan” means a loan to a municipality to be used by the municipality for the purposes in section 3, subdivision 3, paragraph (b), clause (2).

Subd. 5. [HAZARDOUS SUBSTANCE LOAN FUND.] “Hazardous substance loan fund” or “fund” means the fund created by section 2 and the accounts in the fund, established to finance hazardous substance loans.

Subd. 6. [MUNICIPALITY.] “Municipality” means a home rule charter or statutory city, town, county, school district, special taxing district, housing and redevelopment authority authorized to exercise powers under sections 469.001 to 469.047, port authority authorized to exercise powers under sections 469.048 to 469.089, economic development authority authorized to exercise powers under sections 469.090 to 469.108, or a municipal power agency governed by chapter 453.

Sec. 2. [116J.991] [HAZARDOUS SUBSTANCE LOAN FUND.]

A hazardous substance loan fund is created to be administered by the commissioner. Money in the hazardous substance loan fund shall be used to make or purchase hazardous substance loans and pay the costs incurred making or purchasing hazardous substance loans as provided in this section. The commissioner may require the commissioner of finance to create separate accounts within the fund for use in accordance with the fund's purpose.

Sec. 3. [116J.992] [HAZARDOUS SUBSTANCE LOANS.]

Subdivision 1. [AUTHORIZATION.] The commissioner may make or purchase hazardous substance loans with money in the hazardous substance loan fund.

Subd. 2. [LOAN REPAYMENT OBLIGATION.] A municipality's obligation to repay a hazardous substance loan shall be evidenced by a loan agreement; however, the municipality shall be required to repay at least 85 percent of the principal of the loan. Loan repayment obligations shall be payable solely from amounts pledged to the purpose pursuant to the loan agreement. Payments to be made by the municipality pursuant to the loan agreement may be less than, equal to, or in excess of the principal amount of the loan; provided that the principal amount to be repaid shall not be less than 85 percent of the original principal balance of the loan. The loan may be interest free or may bear interest as the commissioner shall determine based on the available sources of payment as specified in this section.

Subd. 3. [LOAN APPLICATION.] (a) To obtain a hazardous substance loan, a municipality shall submit an application to the commissioner on a form provided for that purpose. The application shall identify the municipality and the proposed uses of the proceeds of the hazardous substance loan and any interest to be earned on it, the proposed sources, amounts, and schedule of repayment of the loan, the property proposed to be benefited by the loan, and the proposed development or redevelopment activities to be undertaken on the property subsequent to the removal actions and remedial actions.

(b) The municipality shall certify on the application that:

(1) the municipality has prepared a development response action plan with respect to the subject property;

(2) the proceeds of the hazardous substance loan will be used to pay or reimburse the costs of: (i) removal actions or remedial actions with respect to hazardous substances or pollutants or contaminants or petroleum releases affecting or which may affect land owned or to be purchased by the municipality, (ii) pollution testing, demolition, and soil compaction correction necessitated by the development response action plan, and (iii) related administrative and legal costs;

(3) the removal actions or remedial actions specified in the development response action plan have been approved by the commissioner of the pollution control agency as reasonable and necessary to protect the public health, welfare, and environment;

(4) after completion of the removal actions or remedial actions specified in the development response action plan the land will be, or is expected to be, developed or redeveloped by a nongovernmental person or persons;

(5) the cost of the remedial actions or removal actions required by the development response action plan is so high as to render development or redevelopment of the site not feasible in the opinion of the municipality without a hazardous substance loan;

(6) the municipality shall certify if the municipality has entered into a binding agreement with a nongovernmental person or persons to develop or redevelop the land proposed to be benefited by the hazardous substance loan;

(7) the municipality shall certify if it has previously received a hazardous substance loan for the property and in the course of carrying out the development response action plan has determined that removal actions or remedial actions are required to be taken in addition to those specified in

the development response action plan; and

(8) the municipality must show that the commissioner of the pollution control agency has reviewed and approved the development response action plan as modified by the additional removal actions or remedial actions taken under clause (7).

Subd. 4. [LOAN PRIORITY AND RESTRICTIONS.] *(a) One-half of the amount available for loans must be restricted to loans of \$3,000,000 or less; the remaining half of the amount available for loans must be restricted to loans of \$500,000 or less.*

(b) Hazardous substance loans shall be made to applicants quarterly. If the commissioner determines that there are insufficient amounts in the hazardous substance loan fund to make all hazardous substance loans applied for, preference shall be given first to applicants that have made the certification described in subdivision 3, paragraph (b), clauses (7) and (8), and second to applicants that have made the certification described in subdivision 3, paragraph (b), clause (6). In allocating loans among projects of a given priority the commissioner may take into account the anticipated effect on the economic condition of the site and surrounding area, including the effect on employment, tax revenues, market value, and blighting influences.

(c) Hazardous substance loans may not be made for a site for which removal actions or remedial actions are scheduled by the pollution control agency to be initially funded during the current or next succeeding fiscal year pursuant to the Environmental Response, Compensation and Liability Act of 1988, United States Code, title 42, section 9601 et seq., the environmental response, compensation and compliance fund under section 115B.20, the petroleum tank release cleanup act under chapter 115C, or other state funding source without the approval of the pollution control agency.

Subd. 5. [LOAN APPROVAL.] *(a) Upon approval of a loan, the commissioner shall notify the municipality that the loan will be made and set aside the amount approved in a special account. The notice shall state the principal amount of the loan and that the loan will be made when all the terms for making and repaying the loan have been agreed upon by the commissioner and the municipality.*

(b) The municipality may borrow from the fund under the same terms that it may issue bonds or other obligations pursuant to any law applicable to the municipality that is consistent with this section.

(c) The loan shall be evidenced by instruments prepared in accordance with this section and the law under which the municipality proposes to issue its obligation.

(d) The loan is repaid solely from the sources specifically pledged to repay the municipality's obligation.

(e) Notwithstanding the law under which the obligation of the municipality is issued, the obligation may be subject to such terms and conditions as are agreed to by the agency and the municipality.

(f) The commissioner may require only tax increment and land sale proceeds from the site with respect to which the loan is being made to be pledged. Amounts shall not be required to be pledged from those sources, if and to the extent stated in the application they are pledged or required

to be pledged to retire other obligations described in the application and incurred or to be incurred to finance a portion of costs of the type eligible for financing under this section or for acquisition of real property and existing improvement, relocation assistance, demolition, soil compaction correction, and administrative and legal expenditures related to the site.

Subd. 6. [RECAPTURE OF COSTS.] A municipality that has received a loan under this section shall use reasonable and practicable measures to recapture the reasonable and necessary costs of remedial action from responsible persons unless recovery is deemed by the municipality to be unlikely due to inability to locate responsible persons, the high cost of pursuing remedies in relation to any likely recovery or the financial capacity of responsible persons. After provision for costs of collection, the municipality shall apply all amounts recaptured from responsible persons to repay the obligations owed under the loan agreement. The commissioner may require the municipality to assign any claim against a responsible party to the state if the commissioner of the agency is willing to pursue the claim. Cost recovery sought under this subdivision must conform to the requirements of section 115B.17, subdivision 6, except that amounts recovered must be deposited in the loan fund established in section 2.

Subd. 7. [ACCOUNTING OF COSTS.] Upon completion of the development response action plan, the municipality shall submit an accounting of costs incurred to the commissioner, together with any unexpended loan proceeds, including any unexpended investment earnings on proceeds, which shall be applied to the payment of the obligations under the loan agreement.

Subd. 8. [RULES.] The commissioner may adopt permanent rules to implement this section.

Sec. 4. [116J.993] [DEVELOPMENT RESPONSE ACTION PLAN.]

(a) For purposes of section 3, a plan or proposal for removal actions or remedial actions constitutes a development response action plan if the actions contained in the plan or proposal are:

(1) requested by the agency or its commissioner pursuant to section 115B.17, 115C.03, or other law; or

(2) proposed to the commissioner of the pollution control agency by a municipality to respond to a release or threatened release of a hazardous substance, pollutant, contaminant, or petroleum.

(b) The actions specified in a development response action plan approved under section 3, subdivision 3, are deemed authorized as provided in section 115B.17, subdivision 12, and are deemed rendering care and assistance and advice to the pollution control agency or its commissioner as provided in sections 115B.04, subdivision 11, and 115B.05, subdivision 9.

Sec. 5. Minnesota Statutes 1987 Supplement, section 469.174, subdivision 7, is amended to read:

Subd. 7. [ORIGINAL ASSESSED VALUE.] *(a) "Original assessed value" means the assessed value of all taxable real property within a tax increment financing district as most recently certified by the commissioner of revenue as of the date of the request by an authority for certification by the county auditor, together with subsequent adjustments as set forth in section 469.177, subdivisions 1 and 4. In determining the original assessed value the assessed value of real property exempt from taxation at the time of the request shall*

be zero, except for real property which is tax exempt by reason of public ownership by the requesting authority and which has been publicly owned for less than one year prior to the date of the request for certification, in which event the assessed value of the property shall be the assessed value as most recently determined by the commissioner of revenue.

(b) The original assessed value of any designated hazardous substance site or hazardous substance subdistrict on January 2 following the date the agency or municipality certifies to the county auditor that:

(1) a loan has been made to the municipality or the agency pursuant to section 3; or

(2) the agency or municipality has entered a redevelopment or other agreement for the removal actions or remedial actions specified in a development response action plan, or otherwise provided funds to finance the development response action plan, shall be equal to the assessed value of the parcel, as most recently determined by the commissioner of revenue, less the reasonable and necessary costs of the removal actions and remedial actions to be undertaken with respect to the parcel as certified to the county auditor by the municipality or agency but not less than zero.

(c) The original assessed value shall be increased by the amount by which it was reduced pursuant to paragraph (b), clause (1), upon repayment in full of the hazardous substance loan made pursuant to section 3, if any, or paragraph (b), clause (2), if the loan has not been made, upon certification by the municipality that the costs of the removal actions and remedial actions have been paid or reimbursed.

(d) For purposes of this subdivision, "real property" shall include any property normally taxable as personal property by reason of its location on or over publicly-owned property.

(e) The terms "removal," "remedial," "action," "hazardous substance," and "pollutant or contaminant" have the meanings assigned by section 115B.02. The term "development response action plan" has the meaning given under section 4.

Sec. 6. Minnesota Statutes 1987 Supplement, section 469.174, is amended by adding a subdivision to read:

Subd. 16. [DESIGNATED HAZARDOUS SUBSTANCE SITE.] "Designated hazardous substance site" means: (1) any parcel or parcels benefitted by a loan made to the municipality or the authority pursuant to section 3, or (2) any parcel or parcels with respect to which the authority or municipality has certified to the county auditor that the authority or municipality has entered into a redevelopment or other agreement providing for, or otherwise has available to it funds, including, without limitation, tax increment which would be made available pursuant to section 469.175, subdivision 1, to finance the removal actions or remedial actions specified in a development response action plan.

Sec. 7. Minnesota Statutes 1987 Supplement, section 469.175, is amended by adding a subdivision to read:

Subd. 7. [CREATION OF HAZARDOUS SUBSTANCE SUBDISTRICT.] (a) A municipality or authority which is creating or has created a tax increment financing district may establish within the district a hazardous substance subdistrict upon the notice and after the discussion, public hearing and findings required for approval of the original plan. The

geographic area of the subdistrict shall be made up of any parcels in the district designated for inclusion by the municipality or authority that are designated hazardous substance sites, and any additional parcels in the district designated for inclusion that are contiguous except for the interposition of a right-of-way. Before or at the time of approval of the tax increment financing plan, the municipality shall make the findings under paragraphs (b) to (d), and shall set forth in writing the reasons and supporting facts for each.

(b) The proposed development or redevelopment, in the opinion of the municipality, would not reasonably be expected to occur solely through private investment and tax increment otherwise available, and therefore the hazardous substance district is deemed necessary.

(c) Other parcels that are not designated hazardous substance sites are expected to be developed together with a designated hazardous substance site.

(d) The subdistrict is not larger than, and the period of time during which increments are elected to be received is not longer than, that which is necessary in the opinion of the municipality to provide for the additional costs due to the designated hazardous substance site.

Sec. 8. Minnesota Statutes 1987 Supplement, section 469.176, subdivision 1, is amended to read:

Subdivision 1. [DURATION OF TAX INCREMENT FINANCING DISTRICTS.] (a) Subject to the limitations contained in paragraphs (b) to (f), any tax increment financing district as to which bonds are outstanding, payment for which the tax increment and other revenues have been pledged, shall remain in existence at least as long as the bonds continue to be outstanding.

(b) The tax increment pledged to the payment of the bonds and interest thereon may be discharged and the tax increment financing district may be terminated if sufficient funds have been irrevocably deposited in the debt service fund or other escrow account held in trust for all outstanding bonds to provide for the payment of the bonds at maturity or date of redemption and interest thereon to the maturity or redemption date.

(c) For bonds issued pursuant to section 469.178, subdivisions 2 and 3, the full faith and credit and any taxing powers of the municipality or authority shall continue to be pledged to the payment of the bonds until the principal of and interest on the bonds has been paid in full.

(d) No tax increment shall be paid to an authority for a tax increment financing district after three years from the date of certification of the original assessed value of the taxable real property in the district by the county auditor or after August 1, 1982, for tax increment financing districts authorized prior to August 1, 1979, unless within the three-year period (1) bonds have been issued pursuant to section 469.178, or in aid of a project pursuant to any other law, except revenue bonds issued pursuant to sections 469.152 to 469.165, prior to August 1, 1979, or (2) the authority has acquired property within the district, or (3) the authority has constructed or caused to be constructed public improvements within the district.

(e) No tax increment shall in any event be paid to the authority from a redevelopment district after 25 years from date of receipt by the authority of the first tax increment, after 25 years from the date of the receipt for a

housing district, after 25 years from the date of the receipt for a mined underground space development district, and after eight years from the date of the receipt, or ten years from approval of the tax increment financing plan, whichever is less, for an economic development district.

For tax increment financing districts created prior to August 1, 1979, no tax increment shall be paid to the authority after 30 years from August 1, 1979.

(f) Modification of a tax increment financing plan pursuant to section 469.175, subdivision 4, shall not extend the durational limitations of this subdivision.

If a parcel of a district is part of a designated hazardous substance site or a hazardous substance subdistrict, tax increment may be paid to the authority from the parcel for longer than the period otherwise provided by this subdivision. The extended period for collection of tax increment shall begin on the date of receipt of the first tax increment from the parcel that is more than any tax increment received from the parcel before the date of the loan or certification and received after the earlier of: (1) date of a loan made to the municipality or authority pursuant to section 3; or (2) the date of certification to the county auditor described in section 6, clause (2). The extended period for collection of tax increment shall be the lesser of: (1) 25 years from the date of commencement of the extended period; or (2) the period necessary to recover the costs of removal actions or remedial actions specified in a development response action plan.

Sec. 9. Minnesota Statutes 1987 Supplement, section 469.176, subdivision 5, is amended to read:

Subd. 5. [REQUIREMENT FOR AGREEMENTS.] No more than 25 percent, by acreage, of the property to be acquired within a project which contains a redevelopment district, or ten percent, by acreage, of the property to be acquired within a project which contains a housing or economic development district, as set forth in the tax increment financing plan, shall at any time be owned by an authority as a result of acquisition with the proceeds of bonds issued pursuant to section 469.178 unless prior to acquisition in excess of the percentages, the authority has concluded an agreement for the development or redevelopment of the property acquired and which provides recourse for the authority should the development or redevelopment not be completed. *This subdivision does not apply to a parcel of a district that is a designated hazardous substance site established under section 6 or part of a hazardous substance subdistrict established under section 7.*

Sec. 10. [APPROPRIATION.]

Subdivision 1. [TRADE AND ECONOMIC DEVELOPMENT.] \$ is appropriated from the state building fund to the commissioner of trade and economic development for the purpose of making or purchasing hazardous substance loans under section 3. Funds deposited in the hazardous substance loan fund from loan repayments provided in section 3 are appropriated to the commissioner of trade and economic development for the purpose of making or purchasing hazardous substance loans. This appropriation is available until expended.

Subd. 2. [POLLUTION CONTROL AGENCY.] \$ is appropriated from the general fund to the commissioner of the pollution control agency for the purposes specified in section 3.

Sec. 11. [EFFECTIVE DATE.]

Sections 1 to 9 are effective the day following final enactment.

Amend the title as follows:

Page 1, line 2, delete "economic development" and insert "environment"

And when so amended the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred.

S.F. No. 1388: A bill for an act relating to health; providing for a Medicare enrollee's consumer bill of rights; providing for a reconsideration process if service is denied or limited; allowing for a determination of urgent need; proposing coding for new law in Minnesota Statutes, chapter 62D.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 62D.07, subdivision 3, is amended to read:

Subd. 3. ~~An evidence~~ *Contracts and evidences* of coverage shall contain:

(a) No provisions or statements which are unjust, unfair, inequitable, misleading, deceptive, or which are untrue, misleading or deceptive as defined in section 62D.12, subdivision 1; and

(b) A clear, concise and complete statement of:

(1) The health care services and the insurance or other benefits, if any, to which the enrollee is entitled under the health maintenance contract;

(2) Any exclusions or limitations on the services, kind of services, benefits, or kind of benefits, to be provided, including any deductible or copayment feature *and requirements for referrals, prior authorizations, and second opinions*;

(3) Where and in what manner information is available as to how services, including emergency and out of area services, may be obtained;

(4) The total amount of payment and copayment, if any, for health care services and the indemnity or service benefits, if any, which the enrollee is obligated to pay with respect to individual contracts, or an indication whether the plan is contributory or noncontributory with respect to group certificates; and

(5) A description of the health maintenance organization's method for resolving enrollee complaints and a statement identifying the commissioner as an external source with whom grievances may be registered.

(c) On the cover page of the evidence of coverage *and contract*, a clear and complete statement of enrollees' rights as consumers, ~~including but not limited to a description of each of the following~~. *The statement must be captioned "Important Consumer Information and Enrollee Bill of Rights" and must include but not be limited to the following provisions in the following language or in substantially similar language approved in advance by the commissioner:*

CONSUMER INFORMATION

(1) *COVERED SERVICES: Services provided by (name of health maintenance organization) will be covered only if services are provided by participating (name of health maintenance organization) providers or authorized by (name of health maintenance organization). Your contract fully defines what services are covered and describes procedures you must follow to obtain coverage.*

(2) *PROVIDERS: Enrolling in (name of health maintenance organization) does not guarantee services by a particular provider on the list of providers. When a provider is no longer part of (name of health maintenance organization), you must choose among remaining (name of the health maintenance organization) providers.*

(3) *REFERRALS: Certain services which are covered are available only by referral. All referrals to non-(name of health maintenance organization) providers must be authorized by (name of health maintenance organization).*

(4) *EMERGENCY SERVICES: Emergency services from providers who are not affiliated with (name of health maintenance organization) will be covered only if proper procedures are followed. Your contract explains the procedures and benefits associated with emergency care from (name of health maintenance organization) and non-(name of health maintenance organization) providers.*

(5) *EXCLUSIONS: Certain services or medical supplies are not covered. You should read the contract for a detailed explanation of all exclusions.*

(6) *CONTINUATION: You may convert to an individual health maintenance organization contract or continue coverage under certain circumstances. These continuation and conversion rights are explained fully in your contract.*

(7) *CANCELLATION: Your coverage may be canceled by you or (name of health maintenance organization) only under certain conditions. Your contract describes all reasons for cancellation of coverage.*

ENROLLEE BILL OF RIGHTS

(1) based upon the delivery system of each health maintenance organization, a statement which describes any type of health care professional as defined in section 145-61, whose services may be available only by referral of the health maintenance organization's participating staff;

(2) *Enrollees have the right to available and accessible services which can be secured as promptly as appropriate for the symptoms presented, in a manner which assures continuity and, when medically necessary, the right to including emergency services available 24 hours a day and seven days a week;*

(3) *(2) Enrollees have the consumer's right to be informed of health problems, and to receive information regarding treatment alternatives and risks which is sufficient to assure informed choice;*

(4) *(3) Enrollees have the right to refuse treatment, and*

(5) *the right to privacy of medical and financial records maintained by the health maintenance organization and its health care providers, in accordance with existing law;*

(6) (4) *Enrollees have the right to file a grievance with the health maintenance organization and the commissioner of health and the right to initiate a legal proceeding when experiencing a problem with the health maintenance organization or its health care providers;*

(7) *the right to initiate a legal proceeding when dissatisfied with the health maintenance organization's final determination regarding a grievance;*

(8) *the right of the enrollee and dependents to continue group coverage in the event the enrollee is terminated or laid off from employment, provided that the cost of such coverage is paid by the enrollee and furthermore, the right of the enrollee to convert to an individual contract at the end of the continuation period;*

(9) *the right for notification of enrollees regarding the cancellation or termination of contracts with participating primary care professionals, and the right to choose from among remaining participating primary care professionals;*

(10) *the right to cancel an individual health maintenance contract within ten days of its receipt and to have premiums paid refunded if, after examination of the contract, the individual is not satisfied with it for any reason. The individual is responsible for repaying the health maintenance organization for any services rendered or claims paid by the health maintenance organization during the ten days; and*

(11) (5) *Enrollees have the right to a grace period of 31 days for the payment of each premium for an individual health maintenance contract falling due after the first premium during which period the contract shall continue in force; and*

(6) *Medicare enrollees have the right to voluntarily disenroll from the health maintenance organization and the right not to be requested or encouraged to disenroll except in circumstances specified in federal law.*

Sec. 2. Minnesota Statutes 1986, section 62D.09, subdivision 1, is amended to read:

Subdivision 1. (a) Any written marketing materials which may be directed toward potential enrollees and which include a detailed description of benefits provided by the health maintenance organization shall include a statement of consumer rights as described in section 62D.07, subdivision 3, ~~paragraph~~ paragraphs (b) and (c). *Prior to any oral marketing presentation, the agent marketing the plan must inform the potential enrollees that any complaints concerning the material presented should be directed to the health maintenance organization, the commissioner of health, or, if applicable, the employer.*

(b) *Detailed marketing materials must affirmatively disclose all exclusions and limitations in the organization's services or kinds of services offered to the contracting party, including but not limited to the following types of exclusions and limitations:*

(1) *health care services not provided;*

(2) *health care services requiring copayments or deductibles paid by enrollees;*

(3) *the fact that access to health care services does not guarantee access to a particular provider type; and*

(4) health care services that are or may be provided only by referral of a physician.

(c) No detailed marketing materials may lead consumers to believe that all health care needs will be covered. All marketing materials must alert consumers to possible uncovered expenses with the following language in bold print: "THIS HEALTH CARE PLAN MAY NOT COVER ALL YOUR HEALTH CARE EXPENSES; READ YOUR CONTRACT CAREFULLY TO DETERMINE WHICH EXPENSES ARE COVERED." Immediately following the disclosure required under paragraph (b), clause (3), consumers must be given a telephone number to use to contact the health maintenance organization for specific information about access to provider types.

(d) The disclosures required in paragraph (b) are not required on billboards or single page, image, and name identification advertisement.

Sec. 3. Minnesota Statutes 1986, section 62D.09, is amended by adding a subdivision to read:

Subd. 4. Every health maintenance organization shall provide the information described in section 62D.07, subdivision 3, paragraphs (b) and (c), to enrollees or their representatives on request, within a reasonable time. Information on how to obtain referrals, prior authorization, or second opinion shall be given to the enrollee or an enrollee's representative in person or by telephone within one business day following the day the health maintenance organization or its representative receives the request for information.

Sec. 4. Minnesota Statutes 1986, section 62D.09, is amended by adding a subdivision to read:

Subd. 5. Each health maintenance organization shall issue a membership card to its enrollees. The membership card must:

- (1) identify the health maintenance organization;
- (2) include the name, address, and telephone number to call if the enrollee has a complaint;
- (3) include the telephone number to call to receive authorization for emergency care; and
- (4) include the telephone number to appeal to the commissioner of health complaint investigator.

Sec. 5. Minnesota Statutes 1986, section 62D.11, is amended by adding a subdivision to read:

Subd. 3. [DENIAL OF SERVICE.] Within a reasonable time after receiving an enrollee's written or oral communication to the health maintenance organization concerning a refusal of service or inadequacy of services, the health maintenance organization shall provide the enrollee with a written statement of the reason for the refusal of service, and a statement approved by the commissioner of health which explains the health maintenance organization complaint procedures, and in the case of Medicare enrollees, which also explains Medicare appeal procedures.

Sec. 6. Minnesota Statutes 1986, section 62D.11, is amended by adding a subdivision to read:

Subd. 4. [COVERAGE OF SERVICE.] A health maintenance organization may not deny or limit coverage of a service which the enrollee has

already received:

(1) solely on the basis of lack of prior authorization or second opinion, to the extent that the service would otherwise have been covered by the health maintenance organization; or

(2) which is home care or skilled nursing facility service by a nonparticipating provider, if such service was ordered or recommended by a participating provider, or was part of a discharge plan of a participating provider, and the enrollee was not given written notice, prior to receiving the service, that this service by a nonparticipating provider would not be covered, and listing the participating providers of this service available in the enrollee's area.

Sec. 7. Minnesota Statutes 1986, section 62D.20, is amended to read:
62D.20 [RULES.]

Subdivision 1. [RULEMAKING.] The commissioner of health may, pursuant to chapter 14, promulgate such reasonable rules as are necessary or proper to carry out the provisions of sections 62D.01 to 62D.29. Included among such rules shall be those which provide minimum requirements for the provision of comprehensive health maintenance services, as defined in section 62D.02, subdivision 7, and reasonable exclusions therefrom. Nothing in such rules shall force or require a health maintenance organization to provide elective, induced abortions, except as medically necessary to prevent the death of the mother, whether performed in a hospital, other abortion facility, or the office of a physician; the rules shall provide every health maintenance organization the option of excluding or including elective, induced abortions, except as medically necessary to prevent the death of the mother, as part of its comprehensive health maintenance services.

Subd. 2. [PRIOR AUTHORIZATION.] The commissioner shall adopt rules that address the issue of appropriate prior authorization requirements, considering consumer needs, administrative concerns, and the nature of the benefit.

Sec. 8. [QUALITY ASSURANCE.]

The commissioner of health shall prepare a report to the legislature before January 15, 1989, that describes the state's efforts to assess and to improve quality assurance standards of health maintenance organizations licensed under chapter 62D. The commissioner of human services shall contribute information and data from the state's programs to enroll medical assistance recipients in prepayment plans. The report shall provide recommendations for improvement of health maintenance organization quality assurance mechanisms and operating procedures to the legislature and the health maintenance organizations.

Sec. 9. [MANDATED BENEFITS.]

The commission on health plan regulatory reform, established by Laws 1987, chapter 370, shall address the issues related to mandated benefits. Consumer choice and access to the most appropriate and cost-effective health care providers must be investigated and considered in light of the structure of managed care plans that are being designed and offered currently. The commission shall consider the long-term savings associated with a broad choice of provider groups available to consumers."

Delete the title and insert:

"A bill for an act relating to health; setting forth requirements for statements of exclusions and limitations; requiring detailed statement when coverage is denied; clarifying statement of enrollee bill of rights; setting forth requirements for marketing materials; requiring membership card; requiring written denial of service; prohibiting denial of coverage in certain circumstances; requiring report; amending Minnesota Statutes 1986, sections 62D.07, subdivision 3; 62D.09, subdivision 1, and by adding subdivisions; 62D.11, by adding subdivisions; and 62D.20."

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

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

S.F. No. 2130: A bill for an act relating to agriculture; establishing liability for persons injured while using private land for recreational purposes with or without charge; establishing duty of care and liability for persons using a "pick your own" farm; amending Minnesota Statutes 1986, sections 87.01; 87.021; 87.0221; 87.023; 87.024; 87.025; 87.026; and 87.03.

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

Page 5, after line 20, insert:

"Sec. 9. [92.70] [LAND USE TRESPASS.]

Subdivision 1. [CASUAL TRESPASS.] (a) A person who uses state or county land for personal economic gain where prohibited is guilty of trespass and a petty misdemeanor not to exceed \$50 per occurrence.

(b) A person violating paragraph (a) may be issued a ticket by a sheriff, conservation officer, or personnel of the department designated by the commissioner. The ticket must identify the trespass, where the trespass occurred, and the official observing the trespass.

(c) The petty misdemeanor shall be paid to the state if the trespass is on state land, or the county owning county land that is trespassed.

Subd. 2. [WILLFUL TRESPASS.] (a) A person who willfully and knowingly uses state or county land for personal economic gain where prohibited is guilty of trespass and a petty misdemeanor not to exceed \$1,000 and is liable to the state or county for a civil penalty in the amount of the damage.

(b) A person violating paragraph (a) may be issued a ticket and summons for a court appearance. The county attorney shall prosecute the petty misdemeanor and demand the civil penalty.

(c) Damages must be determined as the greater of:

(1) the cost to restore the state or county land to the condition it was in before the trespass occurred plus an amount to compensate the state or county for the loss of use; or

(2) the economic gain realized by the person committing the trespass.

(d) The petty misdemeanor and civil penalty shall be paid to the court and the court administrator shall pay:

(1) for a trespass on county land, the entire amount to the county to be used for restoration of the trespass and county land improvement purposes;

and

(2) for a trespass on state land, one-half of the petty misdemeanor to the county where the trespass occurred and the remaining amount of the petty misdemeanor and the civil penalty to the commissioner of natural resources for restoration of the trespass and state land improvement purposes."

Amend the title as follows:

Page 1, line 6, after the semicolon, insert "prohibiting certain trespassing on state or county land; prescribing penalties;"

Page 1, line 8, before the period, insert "; proposing coding for new law in Minnesota Statutes, chapter 92"

And when so amended the bill do pass and be re-referred to the Committee on Judiciary. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 1086, 2114, 1603, 1732, 2039, 2117, 1721, 1958, 2142, 995, 1994, 1687, 1752, 1561, 1764, 2217, 1682, 2090, 1328, 1718, 1904, 2162, 2214, 2165, 1748, 1689, 1674, 1806, 517 and 1388 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 1850, 1853 and 1858 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Frederickson, D.R. moved that the name of Mr. Merriam be added as a co-author to S.F. No. 1762. The motion prevailed.

Ms. Berglin moved that the name of Mr. Marty be added as a co-author to S.F. No. 2103. The motion prevailed.

Mr. Davis moved that the name of Mr. Pehler be added as a co-author to S.F. No. 2189. The motion prevailed.

Mr. Pehler moved that the name of Mr. Bertram be added as a co-author to S.F. No. 2272. The motion prevailed.

Mr. Davis moved that the name of Mrs. Adkins be added as a co-author to S.F. No. 2326. The motion prevailed.

Mr. Luther moved that the names of Messrs. Solon and Belanger be added as co-authors to S.F. No. 2329. The motion prevailed.

Mr. Vickerman moved that the name of Mr. Bertram be added as a co-author to S.F. No. 2330. The motion prevailed.

Mr. Belanger moved that the name of Mr. Freeman be added as a co-author to S.F. No. 2355. The motion prevailed.

Mr. Wegscheid moved that S.F. No. 1511 be withdrawn from the Committee on Commerce and returned to its author. The motion prevailed.

Mr. Cohen moved that S.F. No. 2266 be withdrawn from the Committee on Health and Human Services and re-referred to the Committee on Judiciary. The motion prevailed.

Mr. Beckman moved that S.F. No. 2345 be withdrawn from the Committee on Economic Development and Housing and re-referred to the Committee on Agriculture. The motion prevailed.

Mr. Wegscheid introduced—

Senate Resolution No. 116: A Senate resolution congratulating Heather Gustafson for being the 1988 State High School Class AA Girls All-Around Gymnast Champion.

Referred to the Committee on Rules and Administration.

Messrs. Luther; Moe, R.D.; Benson; Frank and Mehrkens introduced—

Senate Concurrent Resolution No. 14: A Senate concurrent resolution deploring acts of violence, threats of violence, and other criminal acts against reproductive health care facilities, and exhorting law enforcement agencies to investigate such acts and apprehend and prosecute those responsible for their perpetration.

Mr. Moe, R.D. moved that Senate Concurrent Resolution No. 14 be laid on the table. The motion prevailed.

Mrs. Brataas, Messrs. Storm, Ramstad, Knutson and Knaak introduced—

Senate Concurrent Resolution No. 15: A Senate concurrent resolution deploring acts of violence, threats of violence, and other criminal acts against reproductive health care facilities, and exhorting law enforcement agencies to investigate such acts and apprehend and prosecute those responsible for their perpetration.

Mr. Moe, R.D. moved that Senate Concurrent Resolution No. 15 be laid on the table. The motion prevailed.

Ms. Berglin, Messrs. Frederickson, D.J.; Marty; Spear and Ms. Piper introduced—

Senate Concurrent Resolution No. 16: A Senate concurrent resolution deploring acts of violence, threats of violence, and other criminal acts against reproductive health care facilities, and exhorting law enforcement agencies to investigate such acts and apprehend and prosecute those responsible for their perpetration.

Mr. Moe, R.D. moved that Senate Concurrent Resolution No. 16 be laid on the table. The motion prevailed.

Messrs. Solon; Morse; Johnson, D.E.; Gustafson and Pogemiller introduced—

Senate Concurrent Resolution No. 17: A Senate concurrent resolution deploring acts of violence, threats of violence, and other criminal acts against reproductive health care facilities, and exhorting law enforcement agencies to investigate such acts and apprehend and prosecute those responsible for their perpetration.

Mr. Moe, R.D. moved that Senate Concurrent Resolution No. 17 be laid on the table. The motion prevailed.

Messrs. Brandl, Davis, Cohen, Diessner and Peterson, R. W. introduced—

Senate Concurrent Resolution No. 18: A Senate concurrent resolution deploring acts of violence, threats of violence, and other criminal acts against reproductive health care facilities, and exhorting law enforcement agencies to investigate such acts and apprehend and prosecute those responsible for their perpetration.

Mr. Moe, R.D. moved that Senate Concurrent Resolution No. 18 be laid on the table. The motion prevailed.

Messrs. Purfeerst, Wegscheid, Dicklich, DeCramer and Novak introduced—

Senate Concurrent Resolution No. 19: A Senate concurrent resolution deploring acts of violence, threats of violence, and other criminal acts against reproductive health care facilities, and exhorting law enforcement agencies to investigate such acts and apprehend and prosecute those responsible for their perpetration.

Mr. Moe, R.D. moved that Senate Concurrent Resolution No. 19 be laid on the table. The motion prevailed.

Messrs. Frederick; Vickerman; Moe, D.M. and Ms. Peterson, D.C. introduced—

Senate Concurrent Resolution No. 20: A Senate concurrent resolution deploring acts of violence, threats of violence, and other criminal acts against reproductive health care facilities, and exhorting law enforcement agencies to investigate such acts and apprehend and prosecute those responsible for their perpetration.

Mr. Moe, R.D. moved that Senate Concurrent Resolution No. 20 be laid on the table. The motion prevailed.

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

Senate Concurrent Resolution No. 21: A Senate concurrent resolution proclaiming Sunday, May 15, as Ethnic American Day in Minnesota.

Mr. Moe, R.D. moved that Senate Concurrent Resolution No. 21 be laid on the table. The motion prevailed.

CALENDAR

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

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

CONSENT CALENDAR

H.F. No. 1867: A bill for an act relating to Washington county; repealing a provision for county board expenses; repealing Laws 1965, chapter 524, as amended.

Mr. Moe, R.D. moved that H.F. No. 1867, No. 1 on the Consent Calendar, be stricken and placed at the top of General Orders. The motion prevailed.

S.F. No. 1772: A bill for an act relating to North Suburban Hospital District; authorizing renovation and use of the Fridley Assembly of God Church property for health or social services.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 1780: A bill for an act relating to elections; clarifying certain public campaign financing limits; amending Minnesota Statutes 1986, section 10A.25, subdivision 10; Minnesota Statutes 1987 Supplement, sections 10A.255, subdivision 1; 10A.32, subdivision 3; repealing Minnesota Statutes 1986, section 10A.32, subdivision 3b.

Mr. Pogemiller moved that S.F. No. 1780, No. 3 on the Consent Calendar, be stricken and placed at the top of General Orders. The motion prevailed.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

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

S.F. No. 2388: A bill for an act relating to state agencies; making statutory changes required by executive reorganization orders; amending Minnesota Statutes 1986, sections 43A.23, subdivision 3; 115A.906; 115A.912; and 115A.914; Minnesota Statutes 1987 Supplement, sections 79.34, subdivision 1; and 176.611, subdivisions 2 and 3a; proposing coding for new law in Minnesota Statutes, chapter 115A; repealing Minnesota Statutes 1987 Supplement, sections 116.55; and 116M.07, subdivision 14.

Referred to the Committee on Governmental Operations.

Mr. Moe, D.M. introduced—

S.F. No. 2389: A bill for an act relating to education; increasing the powers of the state board for community colleges; changing the criteria for board membership; directing the Revisor to prepare a bill reorganizing community college statutes; amending Minnesota Statutes 1986, sections 15.0591, subdivision 2; 136.61, subdivision 1; 136.622; and 136.67, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 136.

Referred to the Committee on Education.

Mr. Brandl introduced—

S.F. No. 2390: A bill for an act relating to metropolitan airports; providing environmental goals for the metropolitan airports commission; amending Minnesota Statutes 1986, section 473.602.

Referred to the Committee on Environment and Natural Resources.

Mrs. Brataas introduced—

S.F. No. 2391: A bill for an act relating to water; providing a classification of the waters of the South Fork of the Zumbro River.

Referred to the Committee on Environment and Natural Resources.

Mr. Wegscheid introduced—

S.F. No. 2392: A bill for an act relating to retirement; Minnesota state retirement system; optional annuities; average salary computation; disability benefits; survivor benefits; amending Minnesota Statutes 1986, sections 353.30, by adding a subdivision; and 353.651, subdivision 3, and by adding subdivisions; Minnesota Statutes 1987 Supplement, sections 353.30, subdivision 3; 353.656, subdivision 3; and 353.657, subdivisions 2 and 3.

Referred to the Committee on Governmental Operations.

Mrs. Lantry introduced—

S.F. No. 2393: A bill for an act relating to utilities; requiring the public utilities commission to transfer a certain telephone exchange from one rate tier to another.

Referred to the Committee on Public Utilities and Energy.

Mr. Luther introduced—

S.F. No. 2394: A bill for an act relating to property interests; setting the effective date of the uniform statutory rule against perpetuities; amending Minnesota Statutes 1987 Supplement, section 501A.05; and Laws 1987, chapter 60, section 10.

Referred to the Committee on Judiciary.

Mr. Cohen introduced—

S.F. No. 2395: A bill for an act relating to nonprofit corporations; requiring a notice of meetings or elections to inform members whether proxy voting is permitted and the manner of doing so; providing an administrative hearing for certain violations by officers or directors; giving members access to the membership list; amending Minnesota Statutes 1986, sections 317.22, subdivision 4; and 317.28; proposing coding for new law in Minnesota Statutes, chapter 317.

Referred to the Committee on Judiciary.

Mr. Cohen introduced—

S.F. No. 2396: A bill for an act relating to housing; authorizing the Minnesota housing finance agency to participate in and insure energy loans for single family owner-occupied homes; amending Minnesota Statutes 1986, section 462A.05, subdivision 23.

Referred to the Committee on Economic Development and Housing.

Messrs. Morse, DeCramer, Decker and Pehler introduced—

S.F. No. 2397: A bill for an act relating to the state university board; authorizing it to use money held by it to discharge or otherwise provide for the payment of its outstanding revenue bonds; authorizing it to issue revenue bonds to finance the acquisition and betterment of facilities at the state universities subject to obtaining certain approvals; amending Minnesota Statutes 1986, sections 136.31, by adding a subdivision; and 136.41, by adding subdivisions.

Referred to the Committee on Finance.

Mr. Luther introduced—

S.F. No. 2398: A bill for an act relating to elections; providing that statewide computerized voter registration system satisfy requirements for duplicate registration file; establishing voter registration account and appropriating money; changing certain procedures related to registration cards, files, and records; changing certain procedures for filing, voting, arranging names on ballots, and completing summary statements; amending Minnesota Statutes 1986, sections 201.091, subdivisions 2 and 5; 204B.09, subdivision 1; 204D.08, subdivision 5; Minnesota Statutes 1987 Supplement, sections 201.022, subdivision 1; 201.071, subdivision 4; 204C.24, subdivision 1; and 204D.08, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 201.

Referred to the Committee on Elections and Ethics.

Mr. Dahl introduced—

S.F. No. 2399: A bill for an act relating to crimes; making it a crime to sell replica firearms; prescribing penalties; proposing coding for new law in Minnesota Statutes, chapter 609.

Referred to the Committee on Judiciary.

Mr. Marty introduced—

S.F. No. 2400: A bill for an act relating to crimes; repealing the prohibition against the sale of articles relating to prevention of conception or disease; repealing Minnesota Statutes 1986, section 617.251.

Referred to the Committee on Judiciary.

Messrs. Moe, R.D.; Freeman; Pehler; Samuelson and Dicklich introduced—

S.F. No. 2401: A bill for an act relating to employment; establishing a job skills partnership board; providing customized education and training grants as an economic incentive to new and expanding employers to create jobs or for retraining of current employees who require new skills to keep pace with technological advances; providing comprehensive programs for addressing the problem of dislocated workers; proposing coding for new law in Minnesota Statutes, chapter 268; repealing Minnesota Statutes 1986, sections 116L.01; 116L.03, subdivisions 3 and 4; 116L.04; 116L.05; and Minnesota Statutes 1987 Supplement, sections 116L.02; and 116L.03, subdivisions 1, 2, 5, and 7.

Referred to the Committee on Education.

Mr. Peterson, R.W. introduced—

S.F. No. 2402: A bill for an act relating to criminal procedure; updating the wiretap law to conform to modern electronic communication technologies; providing procedures for interception of wire, electronic, or oral communication; regulating use of pen registers and trap and trace devices; prescribing penalties; amending Minnesota Statutes 1986, section 626A.01, subdivisions 3, 4, 5, 6, 8, 9, and by adding subdivisions; 626A.02, subdivisions 1, 2, and by adding subdivisions; 626A.03, subdivisions 1, and 2; 626A.05, subdivision 1; 626A.06, subdivisions 3, 4, 5, 6, and by adding subdivisions; 626A.08, subdivision 1; 626A.09, subdivisions 1, 2, 3, 4, and 5; 626A.10, subdivisions 1 and 2; 626A.11, subdivisions 1 and 2, and by adding a subdivision; 626A.12, subdivision 1, and by adding a subdivision; 626A.13; Minnesota Statutes 1987 Supplement, section 626A.05, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 8; 388; 609; and 626A.

Referred to the Committee on Judiciary.

Messrs. Dicklich, Waldorf and Dahl introduced—

S.F. No. 2403: A bill for an act relating to education; conditioning University of Minnesota appropriations on the restructuring of governance of the university by the board of regents.

Referred to the Committee on Education.

Mr. Dahl introduced—

S.F. No. 2404: A bill for an act relating to trade regulation; making certain requirements for moving picture projector operators and projection rooms; granting power to state fire marshal; amending Minnesota Statutes 1986, section 299H.23; proposing coding for new law in Minnesota Statutes, chapter 299H.

Referred to the Committee on General Legislation and Public Gaming.

Messrs. Cohen, Marty and Brandl introduced—

S.F. No. 2405: A bill for an act relating to economic development; including labor organizations and community groups in the organizations that are eligible for assistance from various entities; amending Minnesota Statutes 1987 Supplement, sections 116O.06, subdivision 1; and 116O.08, subdivision 2.

Referred to the Committee on Economic Development and Housing.

Messrs. Morse and Davis introduced—

S.F. No. 2406: A bill for an act relating to agriculture; repealing Laws 1984, chapter 509, section 2.

Referred to the Committee on Agriculture.

Messrs. Morse and Frank introduced—

S.F. No. 2407: A bill for an act relating to economic development; authorizing the establishment of regional alliance commissions; providing an alternative method for the dissolution of regional development commissions; proposing coding for new law in Minnesota Statutes, chapter 462.

Referred to the Committee on Economic Development and Housing.

Mr. Wegscheid introduced—

S.F. No. 2408: A bill for an act relating to retirement; public employees retirement association; providing for the restoration of a normal annuity upon the death of a designated beneficiary to a retired or disabled member who had selected a joint and survivor annuity; increasing the retirement annuity formula for police officer and firefighter members; providing for early retirement at full annuity under certain conditions; regulating nonduty disability benefits; amending Minnesota Statutes 1986, sections 353.30, by adding a subdivision; 353.651, subdivision 3, and by adding subdivisions; Minnesota Statutes 1987 Supplement, sections 353.30, subdivision 3; 353.656, subdivision 3; and 353.657, subdivisions 2 and 3.

Referred to the Committee on Governmental Operations.

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

S.F. No. 2409: A bill for an act relating to financial institutions; interstate bank holding companies; clarifying the divestiture period for noncompliant companies; amending Minnesota Statutes 1986, section 48.95, subdivision 1.

Referred to the Committee on Commerce.

Mr. Wegscheid introduced—

S.F. No. 2410: A bill for an act relating to the city of Farmington; permitting the sale of certain tax-forfeited land.

Referred to the Committee on Environment and Natural Resources.

Mr. Moe, D.M. and Mrs. Lantry introduced—

S.F. No. 2411: A bill for an act relating to local government; authorizing issuance of bonds for repair, restoration, and modernization of the Saint Paul City Hall and Ramsey County Courthouse building.

Referred to the Committee on Local and Urban Government.

Mr. Johnson, D.J. introduced—

S.F. No. 2412: A bill for an act relating to veterans; requiring the establishment of a veterans home in Silver Bay; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 198.

Referred to the Committee on Veterans.

Mr. Moe, D.M. introduced—

S.F. No. 2413: A bill for an act relating to retirement; public employees; authorizing employer deferred compensation plan contributions in certain instances; amending Minnesota Statutes 1986, sections 179A.03, subdivision 19; 179A.07, subdivision 2; and 356.24.

Referred to the Committee on Governmental Operations.

Mr. Kroening introduced—

S.F. No. 2414: A bill for an act relating to public employees; providing for assignment of University of Minnesota job classifications to appropriate units; amending Minnesota Statutes 1986, sections 179A.10, subdivision 4; and 179A.11, by adding a subdivision.

Referred to the Committee on Governmental Operations.

Mr. Lessard introduced—

S.F. No. 2415: A bill for an act relating to game and fish; closing date for fishing season on the Rainy River; repealing Minnesota Statutes 1987 Supplement, section 97C.402.

Referred to the Committee on Environment and Natural Resources.

Mr. Davis introduced—

S.F. No. 2416: A bill for an act relating to elections; permitting cities or counties to use their present voting systems for general elections; amending Minnesota Statutes 1987 Supplement, section 206.80.

Referred to the Committee on Elections and Ethics.

Mr. Davis introduced—

S.F. No. 2417: A bill for an act relating to well abandonment; authorizing cost sharing funds; amending Minnesota Statutes 1986, sections 40.036,

subdivision 1; 40.07, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 40.

Referred to the Committee on Environment and Natural Resources.

Messrs. Davis and Merriam introduced—

S.F. No. 2418: A bill for an act relating to commerce; requiring tax return preparers to be licensed; establishing a board of tax return preparation services; providing for regulation of tax preparers; providing penalties; appropriating money; amending Minnesota Statutes 1987 Supplement, sections 214.01, subdivision 3; and 214.04, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 326.

Referred to the Committee on Commerce.

Ms. Berglin introduced—

S.F. No. 2419: A bill for an act relating to youth employment; providing planning grants for the design of youth employment programs; appropriating money.

Referred to the Committee on Education.

Mr. Spear and Ms. Piper introduced—

S.F. No. 2420: A bill for an act relating to adoption; permitting independent placements; requiring a preplacement investigation in independent placements; providing for authorized expenses in connection with an adoption; prohibiting certain advertisements in connection with adoption; providing penalties; amending Minnesota Statutes 1986, sections 259.22, subdivision 2; 259.24, subdivisions 2 and 6a; 259.27, by adding subdivisions; and 259.47; proposing coding for new law in Minnesota Statutes, chapter 259.

Referred to the Committee on Judiciary.

Mr. Frank introduced—

S.F. No. 2421: A bill for an act relating to taxation; motor vehicle excise; exempting motor vehicles used for training purposes by certain educational institutions; amending Minnesota Statutes 1987 Supplement, section 297B.03.

Referred to the Committee on Transportation.

Mrs. Lantry introduced—

S.F. No. 2422: A bill for an act relating to human services; regulating location of residential and other facilities; prohibiting further concentration of facilities; amending Minnesota Statutes 1987 Supplement, section 245A.11, subdivision 4, and by adding subdivisions.

Referred to the Committee on Health and Human Services.

Mr. DeCramer introduced—

S.F. No. 2423: A bill for an act relating to agriculture; reappropriating money remaining in the 1987 interest buy-down program.

Referred to the Committee on Agriculture.

Mr. DeCramer introduced—

S.F. No. 2424: A bill for an act relating to education; providing for regional program access revenue; amending Minnesota Statutes 1986, section 275.125, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 124.

Referred to the Committee on Education.

Mr. Luther introduced—

S.F. No. 2425: A bill for an act relating to creditors' remedies; regulating executions, redemptions, exemptions, and garnishments; revising, clarifying, and standardizing procedures; providing certain sanctions; updating certain forms; lengthening the period of effectiveness of summary executions; modifying an employer's obligations with regard to a garnishment summons; proposing coding for new law in Minnesota Statutes, chapters 550 and 571; repealing Minnesota Statutes 1986, sections 550.041; 550.05; 550.14; 550.141; and 571.41 to 571.69.

Referred to the Committee on Judiciary.

Messrs. Luther, Wegscheid, Pehler and Moe, D.M. introduced—

S.F. No. 2426: A bill for an act relating to the state and local governments; providing immunity from civil liability for volunteers serving the state and local governments; amending Minnesota Statutes 1986, section 466.01, by adding a subdivision; Minnesota Statutes 1987 Supplement, section 3.736, subdivision 3; and proposing coding for new law in Minnesota Statutes, chapter 466.

Referred to the Committee on Judiciary.

Mr. Chmielewski introduced—

S.F. No. 2427: A bill for an act relating to vocational rehabilitation; regulating community based employment program services; appropriating money; amending Minnesota Statutes 1987 Supplement, section 129A.08, by adding a subdivision.

Referred to the Committee on Employment.

Mr. Chmielewski introduced—

S.F. No. 2428: A bill for an act relating to workers' compensation; regulating workers' compensation benefits and administration; regulating workers' compensation insurance; requiring certain reports relating to workers' compensation; amending Minnesota Statutes 1986, sections 79.251, subdivisions 2, 3, and 4; 79.252, subdivision 1; 176.011, subdivision 18, and by adding a subdivision; 176.021, subdivision 3; 176.061, subdivision 10; 176.101, subdivisions 1, 2, 4, 5, and 6, and by adding a subdivision; 176.102, subdivisions 1, 7, 9, and 11; 176.105, subdivision 1; 176.111, subdivisions 6, 7, 8, 12, 14, and 20; 176.131, subdivisions 2, 3, and 4; 176.132, subdivisions 1 and 2; 176.135, by adding a subdivision; 176.645, subdivision 2; 176.66, subdivision 11; 176.82; Minnesota Statutes 1987 Supplement, sections 176.102, subdivisions 3, 3a, and 4; 176.111, subdivisions 15 and 21; and 176.131, subdivisions 1 and 8; proposing coding

for new law in Minnesota Statutes, chapters 79 and 176; repealing Minnesota Statutes 1986, sections 79.50; 79.51; 79.52; 79.53; 79.54; 79.55; 79.56; 79.57; 79.58; 79.59; 79.60; 79.61; and 79.62; 176.011, subdivision 26; and 176.101, subdivisions 3a to 3u.

Referred to the Committee on Employment.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 1:00 p.m., Wednesday, March 9, 1988. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

SIXTY-SIXTH DAY

St. Paul, Minnesota, Wednesday, March 9, 1988

The Senate met at 1:00 p.m. and was called to order by the President.

CALL OF THE SENATE

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

Prayer was offered by Senator Dean E. Johnson.

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

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

The President declared a quorum present.

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

MEMBERS EXCUSED

Mr. Davis was excused from the Session of today.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 537: A bill for an act relating to public safety; imposing mandatory minimum penalties on habitual DWI offenders; amending Minnesota Statutes 1986, section 169.121, by adding a subdivision.

Senate File No. 537 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 7, 1988

CONCURRENCE AND REPASSAGE

Mr. Jude moved that the Senate concur in the amendments by the House to S.F. No. 537 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 537: A bill for an act relating to public safety; imposing mandatory minimum penalties on habitual DWI offenders; requiring a report; amending Minnesota Statutes 1986, section 169.121, by adding a subdivision.

Was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 57 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill, as amended, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 10, 1659, 1710, 2020, 1805, 2109, 2270, 2312, 1832, 1868, 1884, 1912, 1943, 1999, 2045, 2046, 1989, 2039, 2083, 2132 and 2180.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 7, 1988

FIRST READING OF HOUSE BILLS

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

H.F. No. 10: A bill for an act relating to crimes; raising the minimum term of imprisonment from 17 to 20 years for persons convicted of first degree murder; clarifying that the crying of a child does not constitute provocation under first degree manslaughter; amending Minnesota Statutes 1986, section 244.05, subdivision 4; and Minnesota Statutes 1987 Supplement, section 609.20.

Referred to the Committee on Judiciary.

H.F. No. 1659: A bill for an act relating to constables; authorizing town boards to form law enforcement agencies; abolishing the office of constable; authorizing the board of peace officer standards and training to issue peace officer licenses to persons possessing constable licenses; amending Minnesota Statutes 1986, sections 367.40, subdivision 3, and by adding a subdivision; and 367.42, subdivision 1, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 367; repealing Minnesota Statutes 1986, sections 367.41, subdivisions 4 and 5; 367.42, subdivision 2; 626.843, subdivision 1a; and 626.845, subdivision 2; and Minnesota Statutes 1987 Supplement, sections 367.03, subdivision 3; and 367.41, subdivision 1.

Referred to the Committee on Judiciary.

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

Referred to the Committee on Judiciary.

H.F. No. 2020: A bill for an act relating to utilities; encouraging settlements prior to contested case hearings; authorizing the public utilities commission to extend suspended rates during multiple general rate filings; providing for imposition of interim rates when commission extends suspended rates; amending Minnesota Statutes 1986, sections 216B.16, subdivisions 1a, 2, and 3; and 237.075, subdivisions 2 and 3.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1751, now on General Orders.

H.F. No. 1805: A bill for an act relating to energy; requiring repairs, servicing, or inspections of heating systems to include safety tests for the existence of carbon monoxide or provide notice that safety tests were not conducted; proposing coding for new law in Minnesota Statutes, chapter 325F

Referred to the Committee on Commerce.

H.F. No. 2109: A bill for an act relating to state lands; authorizing private sale of tax-forfeited land in St. Louis county.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1983.

H.F. No. 2270: A bill for an act relating to natural resources; authorizing a private sale of surplus state property to the Memorial Hospital Association of Cambridge.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1994, now on General Orders.

H.F. No. 2312: A bill for an act relating to natural resources; authorizing the commissioner of natural resources to sell certain lands in Itasca county.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2162, now on General Orders.

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

Referred to the Committee on Governmental Operations.

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

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1581, now on General Orders.

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

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1806, now on the Consent Calendar.

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

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2216.

H.F. No. 1943: A bill for an act relating to state lands; permitting the sale of certain tax-forfeited lands that border public waters in the city of Aitkin.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1722.

H.F. No. 1999: A bill for an act relating to public safety; regulating boiler operation; amending Minnesota Statutes 1986, sections 183.411, subdivisions 1, 3, and by adding a subdivision; 183.466; 183.51, subdivisions 4, 7, and 10.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1718, now on General Orders.

H.F. No. 2045: A bill for an act relating to state lands; authorizing private sale of tax-forfeited land in St. Louis county.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1947.

H.F. No. 2046: A bill for an act relating to state lands; directing sale and conveyance of certain state-owned lands to the city of Owatonna.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1931.

H.F. No. 1989: A bill for an act relating to education; creating a child care task force; specifying membership; requiring a report.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1705, now on General Orders.

H.F. No. 2039: A bill for an act relating to corrections; making various housekeeping and technical changes; amending Minnesota Statutes 1986, sections 260.311, subdivisions 1, 2, 3, and 5; 401.01, subdivision 2; and 401.04.

Referred to the Committee on Governmental Operations.

H.F. No. 2083: A bill for an act relating to health; making technical modifications of the immunization law; amending Minnesota Statutes 1986, section 123.70, subdivisions 1, 2, 3, 4, 5, 7, 8, and 9.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1588, now on General Orders.

H.F. No. 2132: A bill for an act relating to human services; authorizing a representative payee for general assistance to drug dependent persons; amending Minnesota Statutes 1986, section 256D.09, by adding a subdivision.

Referred to the Committee on Health and Human Services.

H.F. No. 2180: A resolution memorializing Congress to more fairly and equitably assign reimbursement rates to rural counties under TEFRA risk contracts under Medicare.

Referred to the Committee on Health and Human Services.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of the report on S.F. No. 1783. The motion prevailed.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 1763: A bill for an act relating to solid waste; imposing a fee to be collected by counties for the disposal of mixed municipal solid waste; providing for collection and distribution of the fee to counties generating solid waste; authorizing county agreements for recycling and to include recycling as part of solid waste management; amending Minnesota Statutes 1986, sections 115A.919; and 400.08, subdivision 1; proposing coding for new law in chapter 115A.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 115A.919, is amended to read:

115A.919 [COUNTY FEE AUTHORITY ON DISPOSAL OF SOLID WASTE.]

Subdivision 1. [FEE.] A (a) Each county ~~may~~ must impose a fee, by cubic yard of waste or its equivalent, on ~~operators of facilities for the disposal of~~ mixed municipal solid waste ~~accepted by operators of facilities~~ located within the county ~~as provided in this subdivision.~~

(b) The fee ~~in the metropolitan area~~ ~~may not exceed 25 cents~~ to be collected by an operator of a disposal facility:

(1) must be at least \$1 per cubic yard or its equivalent, in addition to the city or town fee imposed under section 115A.921, to be used for recycling purposes; and

(2) may be increased by an amount determined by the county where the facility is located to cover the costs of the purposes specified in subdivision 3.

(c) For purposes of subdivision 1 and subdivision 2, the authority and obligations of a county must be assumed by a sanitary district for the area under the jurisdiction of the sanitary district.

Subd. 2. [COLLECTION OF FEE.] (a) The operator of a facility for the disposal of mixed municipal solid waste located outside of the metropolitan area must collect the fee under subdivision 1, paragraph (b), clause (1), imposed by the county and maintain records of the solid waste disposed of at the facility that identify the amount and county where the solid waste was collected. At least once per month the operator of the disposal facility:

(1) must retain up to two percent of the fees collected under subdivision 1, paragraph (b), clause (1);

(2) must remit the balance of the fees collected under subdivision 1, paragraph (b), clause (1), to the county treasurer of the county where the facility is located; and

(3) must report the amount and counties where the solid waste was collected to the county treasurer.

(b) The county treasurer must remit to each of the other counties their proportional amount of the fees collected under subdivision 1, paragraph (b), clause (1), that represent the solid waste collected from each county and credit the remaining amount to the general fund or alternative fund for recycling purposes of the county where the disposal facility is located.

Subd. 3. [USE OF REVENUE.] The revenue from the fees shall be credited to the county general fund and shall be used only for landfill abatement purposes including recycling, or costs of closure, postclosure care, and response actions or for purposes of mitigating and compensating for the local risks, costs, and other adverse effects of facilities.

Subd. 4. [EXCEPTION FOR RESOURCE RECOVERY FACILITIES.] Waste residue from energy and resource recovery facilities at which solid waste is processed for the purpose of extracting, reducing, converting to energy, or otherwise separating and preparing solid waste for reuse shall be exempt from one-half the amount of the fee imposed by a county under this section if there is at least an 85 percent volume reduction in the solid waste processed. Before any fee is reduced, the verification procedures of section 473.843, subdivision 1, paragraph (c), must be followed and submitted to the appropriate county.

Sec. 2. [115A.955] [AGREEMENTS TO RECYCLE.]

A county may enter into agreements with other counties and private parties to recycle materials and to collect recyclable materials within and outside of the county.

Sec. 3. [115A.956] [RECYCLABLES BANNED FOR LANDFILL DISPOSAL.]

After January 1, 1992, an operator of a facility for the disposal of mixed municipal solid waste may not accept for disposal material capable of being recycled. The waste management board shall adopt rules by April 1, 1989, that identify and define items capable of being recycled.

Sec. 4. Minnesota Statutes 1986, section 325E.03, subdivision 1, is amended to read:

Subdivision 1. [DETACHABLE PARTS AND NONDEGRADABLE CONNECTORS PROHIBITED.] No person shall sell or offer for sale in this state a carbonated soft drink, beer, other malt beverage, or tea in liquid form and intended for human consumption.

(1) contained in an individual sealed metal container designed and constructed so that a part of the container is detached in the process of opening the container; or

(2) in a sealed container that is connected to another sealed container by means of a device constructed of a material that does not decompose by photodegradation or biodegradation within a reasonable time after exposure to weather elements.

Sec. 5. [325E.035] [NONDEGRADABLE CONTAINERS.]

Subdivision 1. [SALE PROHIBITION.] Except as provided in section 325E.03, a person may not sell or offer for sale a sealed container that is connected to another sealed container by means of a device constructed of a material that does not decompose by photodegradation or biodegradation within a reasonable time after exposure to weather elements.

Subd. 2. [PENALTY.] A person who violates subdivision 1 is guilty of a misdemeanor.

Sec. 6. [325E.045] [PLASTIC BOTTLE RESIN IDENTIFICATION.]

Plastic containers with a capacity of six ounces or more, sold in this state after January 1, 1991, must be embossed or printed with a standardized system of letters or numbers or a combination of letters and numbers identifying the type of plastic resin used to manufacture the bottle or container. Bottles or containers containing more than one resin must be identified as multi-resin. Bottles that are readily identifiable because of their appearance are exempted from the provisions of this section.

Sec. 7. Minnesota Statutes 1986, section 400.08, subdivision 1, is amended to read:

Subdivision 1. [DEFINITION.] For purposes of this section, "solid waste management services" includes *collection of recyclable materials, recycling of materials*, collection, processing, and disposal of solid waste, closure and postclosure care of a solid waste facility, and response, as defined in section 115B.02, to releases from a solid waste facility or closed solid waste facility.

Sec. 8. [EFFECTIVE DATE.]

This act is effective January 1, 1989."

Amend the title as follows:

Page 1, line 8, after the semicolon, insert "prohibiting sale of certain containers with nondegradable connectors; providing for resin identification for plastic bottles; providing a penalty;"

Page 1, line 9, after the first semicolon, insert "325E.03, subdivision 1;"

Page 1, line 10, delete "chapter" and insert "Minnesota Statutes, chapters" and before the period, insert "and 325E"

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

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

S.F. No. 1741: A bill for an act relating to civil actions; requiring the judgment creditor to file satisfaction of judgment documents; amending Minneosta Statutes 1986, section 548.15.

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

Page 1, line 16, delete "*considered*"

Page 2, delete lines 10 to 13

Page 2, line 23, strike "give" and insert "*file*" and after "it" insert "*with the court administrator*"

Amend the title as follows:

Page 1, line 3, delete "fo" and insert "to"

Page 1, line 4, delete "Minneosta" and insert "Minnesota"

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

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

S.F. No. 1613: A bill for an act relating to traffic regulations; broadening criminal liability of passengers under the open bottle law; amending Minnesota Statutes 1986, section 169.122, subdivision 2.

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

Mr. Pehler from the Committee on Education, to which was referred

S.F. No. 1859: A bill for an act relating to public meetings; authorizing the governing board of a joint vocational technical district to establish meeting sites; amending Minnesota Statutes 1986, section 136C.61, by adding a subdivision.

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

Mr. Pehler from the Committee on Education, to which was referred

S.F. No. 1817: A bill for an act relating to education; providing for use of certain revenues in the independent school district No. 710 bond redemption fund; amending Laws 1982, chapter 523, article 30, section 4, subdivision 3.

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

Mr. Pehler from the Committee on Education, to which was referred

S.F. No. 2210: A bill for an act relating to education; allowing noncontiguous school districts to consolidate; amending Minnesota Statutes 1986, section 122.23, subdivision 1.

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

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 2102: A bill for an act relating to the city of Minneapolis; authorizing the Minneapolis park and recreation board to establish compensation for its members; amending Laws 1974, chapter 181, section 1, as amended.

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

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 2177: A bill for an act relating to zoning; providing for filing requirements of variances to real property; amending Minnesota Statutes 1986, section 462.36, subdivision 1.

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

Mr. Pehler from the Committee on Education, to which was referred

S.F. No. 1860: A bill for an act relating to education; establishing library resources at certain technical institutes coordinated by Southwest State University; appropriating money.

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

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 2046: A bill for an act relating to the city of Westbrook; permitting the city to expend city funds for a private hospital.

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

Page 1, delete lines 6 to 12 and insert:

“Section 1. [HOSPITAL SERVICE.]

The cities of Dovray, Jeffers, Storden, Walnut Grove, and Westbrook, and the towns of Amboy, Amo, Ann, Belfast, Bondin, Dale, Des Moines River, Dovray, Germantown, Highwater, Holly, Lime Lake, North Hero, Rose Hill, Shetek, Southbrook, Springdale, Springfield, Storden, and Westwood, all in Cottonwood, Murray, and Redwood counties, may contribute gifts to the Schmidt Memorial Hospital in the city of Westbrook.”

Delete the title and insert:

“A bill for an act relating to local government; permitting certain cities and towns to contribute to a hospital.”

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

Mr. Pehler from the Committee on Education, to which was referred

S.F. No. 1702: A bill for an act relating to education; appropriating money for an optical fiber telecommunications system and related interconnections.

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

Page 1, line 8, delete "\$1,720,000" and insert "\$"

Page 1, line 16, after the period, insert "*Any other governmental agencies and*"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Pehler from the Committee on Education, to which was re-referred

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

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 136C.13, subdivision 4, is amended to read:

Subd. 4. [VIETNAM VETERAN'S EXEMPTION.] A Vietnam veteran ~~who enrolls in a tuition free AVTI program before July 1, 1990~~ and who is a Minnesota resident whose entire education has not included completion of at least one tuition free post-secondary vocational technical school program is exempt from tuition until the veteran has completed the lesser of (a) 440 post-secondary vocational technical school days, or the equivalent as determined by the state board, or (b) one post-secondary vocational technical school program.

"Vietnam veteran" for the purpose of this subdivision means a person who served in the active military service in any branch of the armed forces of the United States after July 1, 1961, and before July 1, 1978, and who became eligible for the Vietnam Expeditionary Medal or the Vietnam Service Medal as a result of the service, was a Minnesota resident at the time of induction into the armed forces and for the six months immediately preceding induction, and has been separated or discharged from active military service under conditions other than dishonorable.

Sec. 2. [REPEALER.]

Minnesota Statutes 1986, section 136C.13, subdivision 3, is repealed."

Delete the title and insert:

"A bill for an act relating to education; making permanent the tuition exemption at technical institutes for certain veterans; amending Minnesota Statutes 1986, section 136C.13, subdivision 4; repealing Minnesota Statutes 1986, section 136C.13, subdivision 3."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

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

S.F. No. 1879: A bill for an act relating to agriculture; providing penalties and liability for damages for unauthorized release of domestic animals; proposing coding for new law in Minnesota Statutes, chapter 346.

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

Page 1, lines 9 and 14, delete "*enters the*"

Page 1, lines 10 and 15, delete "*property of another and*"

Page 1, lines 11 and 16, after the fourth comma, insert "*horses, fur-bearing animals,*"

Page 1, line 12, delete "*raised for food production*"

Page 1, line 17, delete "*treble*"

Page 1, line 18, delete "*plus attorney fees*" and delete everything after "*costs*" and insert "*of*"

Page 1, line 19, delete "*is to be included as part*" and insert a period

Page 1; delete line 20

Page 1, line 23, delete "*offenses*" and insert "*unauthorized releases*"

And when so amended the bill do pass and be re-referred to the Committee on Judiciary. Amendments adopted. Report adopted.

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

S.F. No. 1820: A bill for an act relating to crime; children; clarifying the defenses to a charge of deprivation of parental rights; requiring defendant to prove elements of defenses; amending Minnesota Statutes 1987 Supplement, section 609.26, subdivision 2.

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

Page 1, line 11, strike "*No person violates*" and insert "*It is an affirmative defense if a person charged under*" and strike "*if*"

Page 1, line 12, strike "*the*" and delete "*person*" and delete "*by a preponderance of the evidence*"

Page 2, delete section 2 and insert:

"Sec. 2. [ORIGINAL INTENT CLARIFIED.]

To the extent that it states that Minnesota Statutes, section 609.26, subdivision 2, creates affirmative defenses to a charge under Minnesota Statutes, section 609.26, section 1 clarifies the original intent of the legislature in enacting Laws 1984, chapter 484, section 2; does not change the substance of Minnesota Statutes, section 609.26; and does not modify or alter any convictions entered under that section before the effective date of section 1.

Sec. 3. [EFFECTIVE DATE.]

Except as provided in section 2, section 1 is effective August 1, 1988, and applies to crimes committed on or after that date."

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

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

S.F. No. 1582: A bill for an act relating to marriage dissolution; providing for child support enforcement; specifying conditions for judgment by operation of law; amending Minnesota Statutes 1986, sections 256.87, subdivisions 1, 1a, and 6; 257.66, subdivision 5; 518.55, subdivision 2; 518.551, subdivision 9; 518C.17, subdivision 1; 548.091, subdivisions 2, 3, and by adding a subdivision; and Minnesota Statutes 1987 Supplement, section 548.091, subdivision 1.

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

Page 1, line 20, delete "*shall*" and insert "*must*"

Page 3, delete lines 15 to 24 and insert:

"Subd. 2. [NOTICE OF DOCKETING OF MAINTENANCE JUDGMENT.] Every order for ~~support or~~ maintenance shall provide for a conspicuous notice that, if the obligor fails to make the ~~support or~~ maintenance payments, the obligee or a public agency responsible for maintenance ~~or support~~ enforcement may obtain docketing of a judgment for the unpaid amount under the provisions of section 548.091. The notice shall enumerate the conditions that must be met before the judgment can be docketed.

Sec. 6. Minnesota Statutes 1986, section 518.55, is amended by adding a subdivision to read:

Subd 2a. [ENTRY OF CHILD SUPPORT JUDGMENT.] Every order for support shall provide for a conspicuous notice that, if the obligor fails to make a support payment, the payment owed becomes a judgment by operation of law on and after the date the payment is due, and the obligee or a public agency responsible for support enforcement may obtain entry and docketing of the judgment for the unpaid amount under the provisions of section 548.091."

Page 5, delete lines 2 to 36

Page 6, delete lines 1 to 12 and insert:

"Subdivision 1. [DOCKETING OF MAINTENANCE JUDGMENT.] A judgment for unpaid amounts under a judgment or decree of dissolution or legal separation; ~~determination of parentage, an order under chapter 518C, an order under section 256.87, or an order under section 260.251, any of which provide that provides~~ for installment or periodic payments of child support, maintenance, or reimbursement to a county for the cost of care, examination, or treatment of a child, or any combination of those items, shall be entered and docketed by the court administrator only when ordered by the court or when the following conditions are met:

(a) The obligee ~~or the public authority~~ determines that the obligor is at least 30 days in arrears;

(b) The obligee ~~or public authority~~ serves a copy of an affidavit of default and notice of intent to enter judgment on the obligor by mail at the obligor's last known post office address. Service shall be deemed complete upon mailing in the manner designated. The affidavit shall state the full name,

occupation, place of residence, and last known post office address of the obligor, the name and post office address of the obligee, the date of the first unpaid amount, the date of the last unpaid amount, and the total amount unpaid;

(c) The obligor fails within 20 days after mailing of the notice either to pay all unpaid amounts or to request a hearing on the issue of whether arrears claimed owing have been paid and to seek, ex parte, a stay of entry of judgment; and

(d) Not less than 20 days after service on the obligor in the manner provided, the obligee or public authority files with the court administrator the affidavit of default together with proof of service and, if payments have been received by the obligee or public authority since execution of the affidavit of default, a supplemental affidavit setting forth the amount of payment received.

Sec. 10. Minnesota Statutes 1986, section 548.091, is amended by adding a subdivision to read:

Subd. 1a. [CHILD SUPPORT JUDGMENT BY OPERATION OF LAW.] Any payment or installment of support required by a judgment or decree of dissolution or legal separation, determination of parentage, an order under chapter 518C, an order under section 256.87, or an order under section 260.251, that is not paid or withheld from the obligor's income as required under section 518.611 or 518.613, is a judgment by operation of law on and after the date it is due and is entitled to full faith and credit in this state and any other state. Interest accrues from the date the judgment on the payment or installment is entered and docketed under subdivision 3a, at the annual rate provided in section 549.09, subdivision 1. A payment or installment of support that becomes a judgment by operation of law between the date on which a party served notice of a motion for modification under section 518.64, subdivision 2, and the date of the court's order on modification may be modified under that subdivision."

Page 6, delete lines 15 to 36

Page 7, delete lines 1 to 4 and insert:

"Subd. 2. [AMOUNT AND SURVIVAL OF MAINTENANCE JUDGMENT.] The court administrator shall enter and docket judgment in the amount of each affidavit filed under subdivision 1 less any amount paid. From the time of docketing, the judgment is a lien in the amount unpaid upon all the real property in the county then or after owned by the judgment debtor. The judgment survives and the lien continues for ten years after its entry.

Sec. 12. Minnesota Statutes 1986, section 548.091, is amended by adding a subdivision to read:

Subd. 2a. [DOCKETING OF CHILD SUPPORT JUDGMENT.] On or after the date an unpaid amount becomes a judgment by operation of law under subdivision 1a, the obligee or the public authority may file with the court administrator:

(1) a statement identifying, or a copy of, the judgment or decree of dissolution or legal separation, determination of parentage, order under chapter 518C, or an order under section 256.87, which provides for installment or periodic payments of child support;

(2) an affidavit of default. The affidavit of default must state the full name, occupation, place of residence, and last known post office address of the obligor, the name and post office address of the obligee, the date or dates payment was due and not received and judgment was obtained by operation of law, and the total amount of the judgments; and

(3) an affidavit of service of a notice of entry of judgment on the obligor, in person or by mail at the obligor's last known post office address. Service is completed upon mailing in the manner designated."

Page 7, delete lines 7 to 36 and insert:

"Subd. 3. [MAINTENANCE JUDGMENTS DOCKETED PRIOR TO DEFAULT.] An obligor whose property is subject to the lien of a judgment for installment of periodic payments of ~~child support, maintenance, or both,~~ under section 548.09, and who claims that no amount of ~~support or maintenance~~ is in arrears, may move the court ex parte for an order directing the court administrator to vacate the lien of the judgment on the docket and register of the action where it was entered. The obligor shall file with the motion an affidavit stating that:

(a) The lien attached upon the docketing of a judgment or decree of dissolution or separate maintenance, ~~a determination of parentage, an order under the Reciprocal Enforcement of Support Act, or an order under section 256.87;~~

(b) The docketing was made while no installment or periodic payment of ~~child support, maintenance, or both,~~ was unpaid or overdue; and

(c) No installment or periodic payment of ~~child support, maintenance, or both,~~ that was due prior to the filing of the motion remains unpaid or overdue.

The court shall grant the obligor's motion as soon as possible if the pleadings and affidavit show that there is and has been no default.

Sec. 14. Minnesota Statutes 1986, section 548.091, is amended by adding a subdivision to read:

Subd. 3a. [ENTRY, DOCKETING, AND SURVIVAL OF CHILD SUPPORT JUDGMENT.] Upon receipt of the documents filed under subdivision 2a, the court administrator shall enter and docket the judgment in the amount of the default specified in the affidavit of default. From the time of docketing, the judgment is a lien upon all the real property in the county owned by the judgment debtor. The judgment survives and the lien continues for ten years after the date the judgment was docketed."

Page 8, line 3, before "HEARING" insert "CHILD SUPPORT" and delete everything after the headnote

Page 8, delete line 4 and insert "A child support obligor may request a hearing under the rules of civil procedure on the"

Page 8, line 9, before the period, insert "pursuant to this action" and delete everything after the period

Page 8, delete lines 10 to 25

Page 8, line 26, delete "as soon as"

Page 8, line 27, delete "possible" and delete "has been and"

Page 8, line 30, delete "or maintenance"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after "support" insert "and maintenance"

Page 1, line 6, after "2" insert ", and by adding a subdivision"

Page 1, line 8, delete "a"

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

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

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

S.F. No. 1652: A bill for an act relating to marriage dissolution; providing for the valuation of pension benefits; amending Minnesota Statutes 1987 Supplement, section 518.582, subdivision 1.

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

Page 1, line 10, strike "(a)"

Page 1, line 12, strike "an approved actuary" and insert "*a qualified person experienced in the valuation of pension benefits and rights*"

Page 1, lines 14 to 17, strike the old language and delete the new language

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

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

S.F. No. 1744: A bill for an act relating to animals; regulating dangerous and potentially dangerous dogs; providing liability to an owner of a dog when that dog bites another person; providing penalties; amending Minnesota Statutes 1986, sections 609.226; and 609.227; proposing coding for new law in Minnesota Statutes, chapter 347.

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

Page 1, line 14, delete "*according to the records of the licensing authority*"

Page 1, line 15, before "*inflicted*" insert "*without provocation,*"

Page 1, line 16, delete "*without provocation*"

Page 2, line 2, delete "*a menacing fashion*" and insert "*an*"

Page 2, line 3, delete the first "*or*"

Page 3, line 12, before "*tormenting*" insert "*provoking,*"

Page 3, line 13, before "*tormented*" insert "*provoked,*"

Page 3, after line 15, insert:

"*Subd. 6. [COUNTIES WITHOUT LICENSING SYSTEMS.] If an owner of a dangerous dog resides in a county that does not license dogs under sections 347.08 to 347.21, the owner shall obtain a certificate as required under this section from the county auditor in the county where the owner resides.*"

Page 4, delete section 7

Page 4, line 34, delete "An" and insert "If the"

Page 4, line 35, delete "who"

Page 4, line 36, after "the" insert "same"

Page 5, line 1, delete everything after "person" and insert "other than the owner, the owner is guilty of a felony and may be sentenced to imprisonment for not more than three years or to payment of a fine of not more than \$10,000, or both."

Page 5, line 20, after the second "of" insert "confining and"

Page 5, after line 22, insert:

"Sec. 9. [EFFECTIVE DATE.]

Sections 6 to 8 are effective August 1, 1988, and apply to crimes committed on or after that date."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, delete everything after the semicolon

Page 1, delete line 4

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

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

S.F. No. 1761: A bill for an act relating to crime; traffic safety; providing that operating a vehicle at a speed of 85 miles per hour or more is careless driving; limiting plea negotiations for speeding violations; amending Minnesota Statutes 1986, sections 169.13, subdivision 2; and 169.141, by adding a subdivision.

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

Page 1, line 20, delete "careless driving, which is"

Pages 1 and 2, delete section 2

Page 2, line 6, delete "Sections 1 and 2 are" and insert "Section 1 is" and delete "apply" and insert "applies"

Renumber the sections in sequence

Delete the title and insert:

"A bill for an act relating to crime; traffic safety; providing that operating a vehicle at a speed of 85 miles per hour or more is a misdemeanor; amending Minnesota Statutes 1986, section 169.13, subdivision 2."

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

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

S.F. No. 1835: A bill for an act relating to crime; providing that burglary occurs if a person enters a building without consent and commits a crime

without intent while in the building; extending first degree burglary to instances where an assault occurs on the property appurtenant to the entered building; providing that it is a felony to possess tools used in theft; amending Minnesota Statutes 1986, sections 609.582, subdivisions 1, 2, 3, and 4; and 609.59.

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

Page 1, after line 12, insert:

“Section 1. Minnesota Statutes 1987 Supplement, section 256.98, subdivision 1, is amended to read:

Subdivision 1. [WRONGFULLY OBTAINING ASSISTANCE.] A person who obtains, or attempts to obtain, or aids or abets any person to obtain by means of a willfully false statement or representation, by intentional concealment of a material fact, or by impersonation or other fraudulent device, assistance to which the person is not entitled or assistance greater than that to which the person is entitled, or who knowingly aids or abets in buying or in any way disposing of the property of a recipient or applicant of assistance without the consent of the local agency with intent to defeat the purposes of sections 256.12, 256.72 to 256.871, and chapter 256B, or all of these sections is guilty of theft and shall be sentenced pursuant to section 609.52, subdivision 3, clauses (2), (3), (6), and (7).

Sec. 2. Minnesota Statutes 1987 Supplement, section 609.531, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For the purpose of this section, the following terms have the meanings given them.

(a) “Conveyance device” means a device used for transportation in connection with a designated offense and includes, but is not limited to, motor vehicles, trailers, snowmobiles, airplanes, and vessels. The term “conveyance device” does not include property which is, in fact, itself stolen or taken in violation of the law.

(b) “Primary container” means a fundamental receptacle other than a conveyance device used to store or transport property.

(c) “Weapon used” means weapons used in the furtherance of a crime and defined as a dangerous weapon under section 609.02, subdivision 6.

(d) “Property” means property as defined in section 609.52, subdivision 1, clause (1).

(e) “Contraband property” means property which is illegal to possess under Minnesota law.

(f) “Appropriate agency” means either the bureau of criminal apprehension, Minnesota state patrol, county sheriffs and their deputies, or city police departments.

(g) “Designated offense” includes:

(1) For weapons used: any violation of this chapter;

(2) For all other purposes: violation of, or an attempt or conspiracy to violate, section 609.185; 609.19; 609.195; 609.21; 609.221; 609.222;

609.223; 609.2231; 609.24; 609.245; 609.25; 609.255; 609.322, subdivision 1 or 2; 609.342, subdivision 1, clauses (a) to (f); 609.343, subdivision 1, clauses (a) to (f); 609.344, subdivision 1, clauses (a) to (e), and (h) to (j); 609.345, subdivision 1, clauses (a) to (e), and (h) to (j); 609.42; 609.425; 609.466; 609.485; 609.487; 609.52; 609.521; 609.525; 609.53; 609.54; 609.551; 609.561; 609.562; 609.563; 609.582; 609.59; 609.595; 609.631; section 609.671, subdivisions 3, 4, and 5; 609.687; 609.821; 609.825; 609.86; 609.88; 609.89; or 617.246, when the violation constitutes a felony.

(h) "Communications device or component" means a device or system used to facilitate in any manner the creation, storage, dissemination, or transmission of data in connection with a designated offense and includes computers and computer-related components as defined in section 609.87 and any other device or system that by means of electric, electronic or magnetic impulses may be used to facilitate in any manner the creation, storage, dissemination, or transmission of data."

Page 3, after line 8, insert:

"Sec. 8. Minnesota Statutes 1987 Supplement, section 609.631, subdivision 4, is amended to read:

Subd. 4. [SENTENCING.] A person who is convicted under subdivision 2 or 3 may be sentenced as follows:

(1) to imprisonment for not more than 20 years or to payment of a fine of not more than \$100,000, or both, if the forged check or checks are used to obtain or in an attempt to obtain, property or services of more than \$35,000 or the aggregate amount of the forged check or checks is more than \$35,000;

(2) to imprisonment for not more than ten years or to payment of a fine of not more than \$20,000, or both, if the forged check or checks are used to obtain or in an attempt to obtain, property or services of more than \$2,500 or the aggregate amount of the forged check or checks is more than \$2,500;

~~(3)~~ (3) to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both, if:

(a) the forged check or checks are used to obtain or in an attempt to obtain, property or services of more than \$200 but not more than \$2,500, or the aggregate face amount of the forged check or checks is more than \$200 but not more than \$2,500; or

(b) the forged check or checks are used to obtain or in an attempt to obtain, property or services of no more than \$200, or have an aggregate face value of no more than \$200, and the person has been convicted within the preceding five years for an offense under this section, section 609.24; 609.245; 609.52; 609.53; 609.582, subdivision 1, 2, or 3; 609.625; 609.63; or 609.821, or a statute from another state in conformity with any of those sections, and the person received a felony or gross misdemeanor sentence for the offense, or a sentence that was stayed under section 609.135 if the offense to which a plea was entered would allow imposition of a felony or gross misdemeanor sentence; and

~~(3)~~ (4) to imprisonment for not more than one year or to a fine of not more than \$3,000, or both, if the forged check or checks are used to obtain or in an attempt to obtain, property or services of no more than \$200, or

the aggregate face amount of the forged check or checks is no more than \$200.

In any prosecution under this subdivision, the value of the checks forged or offered by the defendant in violation of this subdivision within any six-month period may be aggregated and the defendant charged accordingly in applying the provisions of this section. When two or more offenses are committed by the same person in two or more counties, the accused may be prosecuted in any county in which one of the checks was forged or offered for all of the offenses aggregated under this paragraph.

Sec. 9. Minnesota Statutes 1987 Supplement, section 609.821, subdivision 3, is amended to read:

Subd. 3. [SENTENCE.] A person who commits financial transaction card fraud may be sentenced as follows:

(1) for a violation of clause (1), (2), (5), or 8 (8) of subdivision 2:

(i) to imprisonment for not more than 20 years or to payment of a fine of not more than \$100,000, or both, if the value of the property the person obtained or attempted to obtain was more than \$35,000, or the aggregate amount of the transactions under this subdivision was more than \$35,000; or

(ii) to imprisonment for not more than ten years or to payment of a fine of not more than \$20,000, or both, if the value of the property the person obtained or attempted to obtain was more than \$2,500, or the aggregate amount of the transactions under this subdivision was more than \$2,500; or

(iii) (iii) to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both, if the value of the property the person obtained or attempted to obtain was more than \$200 but not more than \$2,500, or the aggregate amount of the transactions under this subdivision was more than \$200 but not more than \$2,500; or

(iii) (iv) to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both, if the value of the property the person obtained or attempted to obtain was not more than \$200, or the aggregate amount of the transactions under this subdivision was not more than \$200, and the person has previously been convicted within the preceding five years for an offense under this section, section 609.24; 609.245; 609.52; 609.53; 609.582, subdivision 1, 2, or 3; 609.625; 609.63; or 609.631, or a statute from another state in conformity with any of those sections, and the person received a felony or gross misdemeanor sentence for the offense, or a sentence that was stayed under section 609.135 if the offense to which a plea was entered would allow imposition of a felony or gross misdemeanor sentence; or

(iv) (v) to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both, if the value of the property the person obtained or attempted to obtain was not more than \$200, or the aggregate amount of the transactions under this subdivision was not more than \$200; and

(v) (vi) in any prosecution under clauses (i) to (iv) (v), the value of the transactions made or attempted within any six-month period may be aggregated and the defendant charged accordingly in applying the provisions of this section. When two or more offenses are committed by the same person

in two or more counties, the accused may be prosecuted in any county in which one of the card transactions occurred for all of the transactions aggregated under this paragraph;

(2) for a violation of clause (3) or (4) of subdivision 2, to imprisonment for not more than three years or to payment of a fine of not more than \$5,000, or both; or

(3) for a violation of clause (6) or (7) of subdivision 2:

(i) if no property, other than a financial transaction card, has been obtained by the defendant by means of the false statement or false report, to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both; or

(ii) if property, other than a financial transaction card, is so obtained, in the manner provided in clause (1).

Sec. 10. Minnesota Statutes 1987 Supplement, section 628.26, is amended to read:

628.26 [LIMITATIONS.]

(a) Indictments or complaints for murder may be found or made at any time after the death of the person killed.

(b) Indictments or complaints for violation of section 609.42, subdivision 1, clause (1) or (2) shall be found or made and filed in the proper court within six years after the commission of the offense.

(c) Indictments or complaints for violation of sections 609.342 to 609.345 if the victim was under the age of 18 years at the time the offense was committed, shall be found or made and filed in the proper court within seven years after the commission of the offense.

(d) Indictments or complaints for violation of sections 609.466 and 609.52, subdivision 2, clause ~~(3)(d)~~ (3)(c) shall be found or made and filed in the proper court within six years after the commission of the offense.

(e) Indictments or complaints for violation of section 609.52, subdivision 2, clause (3), items (a) ~~to (e)~~ and (b), (4), (15), or (16), 609.631, or 609.821, where the value of the property or services stolen is more than \$35,000, shall be found or made and filed in the proper court within five years after the commission of the offense.

(f) Except for violations relating to false material statements, representations or omissions, indictments or complaints for violations of section 609.671 shall be found or made and filed in the proper court within five years after the commission of the offense.

(g) In all other cases, indictments or complaints shall be found or made and filed in the proper court within three years after the commission of the offense; but the time during which the defendant shall not be an inhabitant of, or usually resident within, this state, shall not constitute any part of the limitations imposed by this section."

Page 3, line 10, delete "5" and insert "10"

Renumber the sections in sequence

Delete the title and insert:

"A bill for an act relating to crime; providing that burglary occurs if a

person enters a building without consent and commits a crime while in the building; extending first degree burglary to instances where an assault occurs on the property appurtenant to the entered building; providing that it is a felony to possess tools used in theft; making technical corrections; amending Minnesota Statutes 1986, sections 609.582, subdivisions 1, 2, 3, and 4; and 609.59; Minnesota Statutes 1987 Supplement, sections 256.98, subdivision 1; 609.531, subdivision 1; 609.631, subdivision 4; 609.821, subdivision 3; and 628.26."

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

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

S.F. No. 1868: A bill for an act relating to public safety; allowing certain political subdivisions to regulate the possession of firearms on publicly owned property; providing a defense for museum operators to a charge of possessing certain dangerous weapons; clarifying that dealers and manufacturers must report brand names of machine guns and certain shotguns to the bureau of criminal apprehension; amending Minnesota Statutes 1986, sections 471.634; 609.66, subdivision 2; Minnesota Statutes 1987 Supplement, section 609.67, subdivisions 3 and 4.

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

Page 1, line 22, after "districts" insert "*the University of Minnesota, a state university, or a community college,*"

Page 1, line 27, after the semicolon, insert "or"

Page 1, line 28, delete "*other than a city or county*"

Page 1, line 29, after "*firearms*" insert "*within buildings that are located*" and after "*on*" insert "*real*"

Page 2, line 1, delete "; or"

Page 2, lines 2 to 4, delete the new language

Page 2, delete section 2

Page 3, line 31, delete "*such*"

Page 3, line 34, delete "4" and insert "3"

Page 3, line 35, delete "*Sections 2 and 3 are*" and insert "*Section 2 is*"

Page 3, line 36, delete "*apply*" and insert "*applies*"

Re-number the sections in sequence

Amend the title as follows:

Page 1, line 4, delete everything after the semicolon

Page 1, delete line 5

Page 1, line 6, delete "dangerous weapons;"

Page 1, line 10, delete "sections" and insert "section" and delete "609.66, subdivision 2;"

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

Mr. Chmielewski from the Committee on Employment, to which was re-referred

S.F. No. 994: A bill for an act relating to employment; requiring notification of certain exposures to infectious diseases; providing workers' compensation to coverage for certain infectious diseases; amending Minnesota Statutes 1986, section 176.011, subdivision 15; proposing coding for new law in Minnesota Statutes, chapter 144.

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

Page 1, delete section 1

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon

Page 1, line 3, delete everything before "providing"

Page 1, line 6, delete everything after "15" and insert a period

Page 1, delete line 7

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

Mr. Chmielewski from the Committee on Employment, to which was referred

S.F. No. 1304: A bill for an act relating to firefighters; requiring payment of death, disability, and survivor benefits to firefighters suffering from occupationally related cancer.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 176.011, subdivision 15, is amended to read:

Subd. 15. [OCCUPATIONAL DISEASE.] (a) "Occupational disease" means a disease arising out of and in the course of employment peculiar to the occupation in which the employee is engaged and due to causes in excess of the hazards ordinary of employment and shall include undulant fever. Ordinary diseases of life to which the general public is equally exposed outside of employment are not compensable, except where the diseases follow as an incident of an occupational disease, or where the exposure peculiar to the occupation makes the disease an occupational disease hazard. A disease arises out of the employment only if there be a direct causal connection between the conditions under which the work is performed and if the occupational disease follows as a natural incident of the work as a result of the exposure occasioned by the nature of the employment. An employer is not liable for compensation for any occupational disease which cannot be traced to the employment as a direct and proximate cause and is not recognized as a hazard characteristic of and peculiar to the trade, occupation, process, or employment or which results from a hazard to which the worker would have been equally exposed outside of the employment.

(b) If immediately preceding the date of disablement or death, an employee was employed on active duty with an organized fire or police department of any municipality, as a member of the Minnesota state patrol, conservation officer service, state crime bureau, as a forest officer by the department of natural resources, or sheriff or full time deputy sheriff of any county, and the disease is that of myocarditis, coronary sclerosis, pneumonia or its sequel, and at the time of employment such employee was given a thorough physical examination by a licensed doctor of medicine, and a written report thereof has been made and filed with such organized fire or police department, with the Minnesota state patrol, conservation officer service, state crime bureau, department of natural resources, or sheriff's department of any county, which examination and report negated any evidence of myocarditis, coronary sclerosis, pneumonia or its sequel, the disease is presumptively an occupational disease and shall be presumed to have been due to the nature of employment.

(c) *A firefighter on active duty with an organized fire department who is unable to perform duties in the department by reason of a disabling cancer of a type caused by exposure to heat, radiation, or a known or suspected carcinogen, as defined by the International Agency for Research on Cancer, is presumed to have an occupational disease under paragraph (a). If a firefighter who enters the service after August 1, 1988, is examined by a physician prior to being hired and the examination discloses the existence of a cancer of a type described in this paragraph, the firefighter is not entitled to the presumption unless a subsequent medical determination is made that the firefighter no longer has the cancer.*"

Delete the title and insert:

"A bill for an act relating to workers' compensation; providing a presumption for finding an occupational disease in the case of firefighters having a disabling cancer; amending Minnesota Statutes 1986, section 176.011, subdivision 15."

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

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 1861: A bill for an act relating to health maintenance organizations; insurance; requiring replacement coverage in the event an HMO cancels coverage; increasing state comprehensive health plan liabilities in the event a member terminates coverage; increasing health maintenance organization notice requirements and annual reporting requirements; amending Minnesota Statutes 1986, sections 62D.07; 62D.08, subdivision 5; 62D.09; 62D.101; 62D.11; 62D.12, subdivision 2, and by adding a subdivision; 62D.17, subdivision 1; 62E.11, by adding subdivisions; 62E.14, subdivisions 1, 3, and by adding a subdivision; 62E.16; Minnesota Statutes 1987 Supplement, sections 62A.17, subdivision 6; and 62D.08, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 62D; repealing Laws 1984, chapter 464, sections 29 and 40.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1987 Supplement, section 62A.17, subdivision 6, is amended to read:

Subd. 6. [CONVERSION TO INDIVIDUAL POLICY.] A group insurance policy that provides posttermination or layoff coverage as required by this section shall also include a provision allowing a covered employee, surviving spouse, or dependent at the expiration of the posttermination or layoff coverage provided by subdivision 2 to obtain from the insurer offering the group policy or group subscriber contract, at the employee's, spouse's, or dependent's option and expense, without further evidence of insurability and without interruption of coverage, an individual policy of insurance or an individual subscriber contract providing at least the minimum benefits of a qualified plan as prescribed by section 62E.06 and the option of a number three qualified plan, a number two qualified plan, and a number one qualified plan as provided by section 62E.06, subdivisions 1 to 3, provided application is made to the insurer within 30 days following notice of the expiration of the continued coverage and upon payment of the appropriate premium. The required conversion contract must treat pregnancy the same as any other covered illness under the conversion contract. A health maintenance contract issued by a health maintenance organization that provides posttermination or layoff coverage as required by this section shall also include a provision allowing a former employee, surviving spouse, or dependent at the expiration of the posttermination or layoff coverage provided in subdivision 2 to obtain from the health maintenance organization, at the former employee's, spouse's, or dependent's option and expense, without further evidence of insurability and without interruption of coverage, an individual health maintenance contract. Effective January 1, 1985, enrollees who have become nonresidents of the health maintenance organization's service area shall be given the option, to be arranged by the health maintenance organization, of a number three qualified plan, a number two qualified plan, or a number one qualified plan as provided by section 62E.06, subdivisions 1 to 3 ~~if an arrangement with an insurer can reasonably be made by the health maintenance organization~~. This option shall be made available at the enrollee's expense, without further evidence of insurability and without interruption of coverage.

A policy providing reduced benefits at a reduced premium rate may be accepted by the employee, the spouse, or a dependent in lieu of the optional coverage otherwise required by this subdivision.

The individual policy or contract shall be renewable at the option of the individual as long as the individual is not covered under another qualified plan as defined in section 62E.02, subdivision 4, up to age 65 or to the day before the date of eligibility for coverage under title XVIII of the Social Security Act, as amended. Any revisions in the table of rate for the individual policy shall apply to the covered person's original age at entry and shall apply equally to all similar policies issued by the insurer.

Sec. 2. Minnesota Statutes 1986, section 62D.07, is amended to read:
62D.07 [EVIDENCE OF COVERAGE.]

Subdivision 1. Every *health maintenance organization* enrollee residing in this state is entitled to evidence of coverage ~~under a health maintenance contract or contract~~. The health maintenance organization or its designated representative shall issue the evidence of coverage *or contract*.

Subd. 2. No evidence of coverage *or contract*, or amendment thereto

shall be issued or delivered to any person in this state until a copy of the form of the evidence of coverage or *contract* or amendment thereto has been filed with the commissioner of health pursuant to section 62D.03 or 62D.08.

Subd. 3. ~~An evidence~~ *Contracts and evidences* of coverage shall contain:

(a) No provisions or statements which are unjust, unfair, inequitable, misleading, deceptive, or which are untrue, misleading or deceptive as defined in section 62D.12, subdivision 1; and

(b) A clear, concise and complete statement of:

(1) The health care services and the insurance or other benefits, if any, to which the enrollee is entitled under the health maintenance contract;

(2) Any exclusions or limitations on the services, kind of services, benefits, or kind of benefits, to be provided, including any deductible or copayment feature, and requirements for referrals, prior authorizations, and second opinions;

(3) Where and in what manner information is available as to how services, including emergency and out of area services, may be obtained;

(4) The total amount of payment and copayment, if any, for health care services and the indemnity or service benefits, if any, which the enrollee is obligated to pay with respect to individual contracts, or an indication whether the plan is contributory or noncontributory with respect to group certificates; and

(5) A description of the health maintenance organization's method for resolving enrollee complaints and a statement identifying the commissioner as an external source with whom grievances may be registered.

(c) On the cover page of the evidence of coverage *and contract*, a clear and complete statement of enrollees' rights as consumers, ~~including but not limited to a description of each of the following~~. *The statement must be in bold print and captioned "Important Consumer Information and Enrollee Bill of Rights" and must include but not be limited to the following provisions in the following language or in substantially similar language approved in advance by the commissioner:*

CONSUMER INFORMATION.

(1) *COVERED SERVICES: Services provided by (name of health maintenance organization) will be covered only if services are provided by participating (name of health maintenance organization) providers or authorized by (name of health maintenance organization). Your contract fully defines what services are covered and describes procedures you must follow to obtain coverage.*

(2) *PROVIDERS: Enrolling in (name of health maintenance organization) does not guarantee services by a particular provider on the list of providers. When a provider is no longer part of (name of health maintenance organization), you must choose among remaining (name of the health maintenance organization) providers.*

(3) *REFERRALS: Certain covered benefits are covered only upon referral. See section (section number) of your contract for referral requirements. All referrals to non-(name of health maintenance organization) providers and certain types of health care providers must be authorized by (name*

of health maintenance organization).

(4) *EMERGENCY SERVICES*: Emergency services from providers who are not affiliated with (name of health maintenance organization) will be covered only if proper procedures are followed. Your contract explains the procedures and benefits associated with emergency care from (name of health maintenance organization) and non-(name of health maintenance organization) providers.

(5) *EXCLUSIONS*: Certain services or medical supplies are not covered. You should read the contract for a detailed explanation of all exclusions.

(6) *CONTINUATION*: You may convert to an individual health maintenance organization contract or continue coverage under certain circumstances. These continuation and conversion rights are explained fully in your contract.

(7) *CANCELLATION*: Your coverage may be canceled by you or (name of health maintenance organization) only under certain conditions. Your contract describes all reasons for cancellation of coverage.

ENROLLEE BILL OF RIGHTS

(1) based upon the delivery system of each health maintenance organization, a statement which describes any type of health care professional as defined in section 145.61, whose services may be available only by referral of the health maintenance organization's participating staff;

(2) *Enrollees* have the right to available and accessible services which can be secured as promptly as appropriate for the symptoms presented, in a manner which assures continuity and, when medically necessary, the right to including emergency services available, as defined in your contract, 24 hours a day and seven days a week;

(3) (2) *Enrollees* have the consumer's right to be informed of health problems, and to receive information regarding treatment alternatives and risks which is sufficient to assure informed choice;

(4) (3) *Enrollees* have the right to refuse treatments, and

(5) the right to privacy of medical and financial records maintained by the health maintenance organization and its health care providers, in accordance with existing law;

(6) (4) *Enrollees* have the right to file a grievance with the health maintenance organization and the commissioner of health and the right to initiate a legal proceeding when experiencing a problem with the health maintenance organization or its health care providers;

(7) the right to initiate a legal proceeding when dissatisfied with the health maintenance organization's final determination regarding a grievance;

(8) the right of the enrollee and dependents to continue group coverage in the event the enrollee is terminated or laid off from employment, provided that the cost of such coverage is paid by the enrollee and furthermore, the right of the enrollee to convert to an individual contract at the end of the continuation period;

(9) the right for notification of enrollees regarding the cancellation or termination of contracts with participating primary care professionals, and the right to choose from among remaining participating primary care professionals;

~~(10) the right to cancel an individual health maintenance contract within ten days of its receipt and to have premiums paid refunded if, after examination of the contract, the individual is not satisfied with it for any reason. The individual is responsible for repaying the health maintenance organization for any services rendered or claims paid by the health maintenance organization during the ten days; and~~

~~(11) (5) Enrollees have the right to a grace period of 31 days for the payment of each premium for an individual health maintenance contract falling due after the first premium during which period the contract shall continue in force.~~

~~Subd. 4. Any subsequent approved change in an evidence of coverage shall be issued to each enrollee -~~

Subd. 5 4. A grace period of 31 days shall be granted for payment of each premium for an individual health maintenance contract falling due after the first premium, during which period the contract shall continue in force. *Individual health maintenance organization contracts shall clearly state the existence of the grace period.*

Subd. 6 5. *Individual health maintenance contracts shall state that any person entering into an individual health maintenance contract may cancel the contract within ten days of its receipt and to have the premium paid refunded if, after examination of the contract, the individual is not satisfied with it for any reason. The individual is responsible for repaying the health maintenance organization for any services rendered or claims paid by the health maintenance organization during the ten days.*

Subd. 6. *The contract and evidence of coverage shall clearly explain the conditions upon which a health maintenance organization may terminate coverage.*

Subd. 7. *The contract and evidence of coverage shall clearly explain continuation and conversion rights afforded to enrollees.*

Subd. 8. *Individual and group contract holders must be given 30 days' advance, written notice of any change in subscriber fees or benefits.*

Subd. 9. *Individual health maintenance organization contracts shall be delivered to enrollees no later than the date coverage is effective. For enrollees with group contracts, an evidence of coverage shall be delivered or issued for delivery not more than 15 days from the date the health maintenance organization is notified of the enrollment or the effective date of coverage, whichever is later.*

Subd. 10. *An individual health maintenance organization contract and an evidence of coverage must contain a department of health telephone number that the enrollee can call to register a complaint about a health maintenance organization.*

Sec. 3. Minnesota Statutes 1987 Supplement, section 62D.08, subdivision 3, is amended to read:

Subd. 3. Such report shall be on forms prescribed by the commissioner of health, and shall include:

(a) A financial statement of the organization, including its balance sheet and receipts and disbursements for the preceding year certified by an independent certified public accountant, reflecting at least (1) all prepayment

and other payments received for health care services rendered, (2) expenditures to all providers, by classes or groups of providers, and insurance companies or nonprofit health service plan corporations engaged to fulfill obligations arising out of the health maintenance contract, (3) expenditures for capital improvements, or additions thereto, including but not limited to construction, renovation or purchase of facilities and capital equipment, and (4) a supplementary statement of assets, liabilities, premium revenue, and expenditures for risk sharing business under section 62D.04, subdivision 1, on forms prescribed by the commissioner;

(b) The number of new enrollees enrolled during the year, the number of *group enrollees and the number of individual enrollees* as of the end of the year and the number of enrollees terminated during the year;

(c) A summary of information compiled pursuant to section 62D.04, subdivision 1, clause (c) in such form as may be required by the commissioner of health;

(d) A report of the names and addresses of all persons set forth in section 62D.03, subdivision 4, clause (c) who were associated with the health maintenance organization or the major participating entity during the preceding year, and the amount of wages, expense reimbursements, or other payments to such individuals for services to the health maintenance organization or the major participating entity, as those services relate to the health maintenance organization, including a full disclosure of all financial arrangements during the preceding year required to be disclosed pursuant to section 62D.03, subdivision 4, clause (d); ~~and~~

(e) *A separate report addressing health maintenance contracts sold to individuals covered by Medicare, Title XVIII of the Social Security Act, as amended, including the information required under section 62D.30, subdivision 6; and*

(f) Such other information relating to the performance of the health maintenance organization as is reasonably necessary to enable the commissioner of health to carry out the duties under sections 62D.01 to 62D.29.

Sec. 4. Minnesota Statutes 1986, section 62D.08, subdivision 5, is amended to read:

Subd. 5. Every health maintenance organization shall inform the commissioner of any change in the information described in section 62D.03, subdivision 4, clause (e), including any change in address, any modification of the duration of any contract or agreement, and any addition to the list of participating entities, within ten working days of the notification of the change. Any cancellation or discontinuance of any contract or agreement listed in section 62D.03, subdivision 4, clause (e), or listed subsequently in accordance with this subdivision, shall be reported to the commissioner ~~within seven~~ 120 days before the effective date. *When the health maintenance organization terminates a provider for cause, death, disability, or loss of license, the health maintenance organization must notify the commissioner within three working days of the date the health maintenance organization sends out or receives the notice of cancellation or, discontinuance, or termination.* Any health maintenance organization which fails to notify the commissioner within the time periods prescribed in this subdivision shall be subject to the levy of a fine up to \$100 per contract for each day the notice is past due, accruing up to the date the organization notifies the commissioner of the cancellation or discontinuance. Any fine

levied under this subdivision is subject to the contested case and judicial review provisions of chapter 14. *The levy of a fine does not preclude the commissioner from using other penalties described in sections 62D.15 to 62D.17.*

Sec. 5. Minnesota Statutes 1986, section 62D.09, is amended to read:
62D.09 [INFORMATION TO ENROLLEES.]

Subdivision 1. Any written marketing materials which may be directed toward potential enrollees and which include a detailed description of benefits provided by the health maintenance organization shall include a statement of consumer *information and rights* as described in section 62D.07, subdivision 3, paragraph (c).

Subd. 2. The application for coverage by the health maintenance organization shall be accompanied by the statement of consumer *information and rights* as described in section 62D.07, subdivision 3, paragraph (c).

Subd. 3. Every health maintenance organization or its representative shall annually, before June 1, provide to its enrollees the following: (1) a summary of its most recent annual financial statement including a balance sheet and statement of receipts and disbursements; (2) a description of the health maintenance organization, its health care plan or plans, its facilities and personnel, any material changes therein since the last report; (3) the current evidence of coverage *or contract*; and (4) a statement of consumer *information and rights* as described in section 62D.07, subdivision 3, paragraph (c).

Subd. 4. *Health maintenance organizations that issue contracts to persons who are covered by Title XVIII of the Social Security Act (Medicare) must give the applicant, at the time of application, an outline containing at least the following information:*

(1) a description of the principal benefits and coverage provided in the contract, including a clear description of nursing home and home care benefits covered by the health maintenance organization;

(2) a statement of the exceptions, reductions, and limitations contained in the contract;

(3) the following language: "This contract does not cover all skilled nursing home care or home care services and does not cover custodial or residential nursing care. Read your contract carefully to determine which nursing home facilities and home care services are covered by your contract, and what procedures you must follow to receive these benefits."

(4) a statement of the renewal provisions including any reservation by the health maintenance organization of the right to change fees;

(5) a statement that the outline of coverage is a summary of the contract issued or applied for and that the contract should be read to determine governing contractual provisions; and

(6) a statement explaining that the enrollee's Medicare coverage is altered by enrollment with the health maintenance organization, if applicable.

Subd. 5. *Health maintenance organizations shall provide enrollees with a list of the names and locations of participating providers to whom enrollees have direct access without referral no later than the effective date of enrollment or date the evidence of coverage is issued and upon request.*

Health maintenance organizations need not provide the names of their employed providers.

Subd. 6. Any list of providers issued by the health maintenance organization must include the date the list was published and contain a bold type notice in a prominent location on the list of providers with the following language, or substantially similar language approved in advance by the commissioner:

"Enrolling in (name of health maintenance organization) does not guarantee services by a particular provider on this list. If you wish to be certain of receiving care from a specific provider listed, you should contact that provider to ask whether or not he or she is still a (name of health maintenance organization) provider and whether or not he or she is accepting additional patients."

Sec. 6. Minnesota Statutes 1986, section 62D.101, is amended to read:

62D.101 [CONTINUATION AND CONVERSION PRIVILEGES FOR FORMER SPOUSES AND CHILDREN.]

Subdivision 1. [TERMINATION OF COVERAGE.] No health maintenance contract which, in addition to covering an enrollee, also covers the enrollee's spouse shall contain a provision for termination of coverage for a spouse covered under the health maintenance contract solely as a result of a break in the marital relationship ~~except by reason of an entry of a valid decree of dissolution of marriage between the parties.~~

Subd. 2. [CONVERSION PRIVILEGE.] Every health maintenance contract, as described in subdivision 1 shall contain a provision allowing a former spouse and dependent children of an enrollee, without providing evidence of insurability, to obtain from the health maintenance organization at the expiration of any continuation of coverage required under subdivision 2a or ~~section sections 62A.146 and 62D.105, or upon termination of coverage by reason of an entry of a valid decree of dissolution which does not require the health maintenance organization to provide continued coverage for the former spouse,~~ an individual health maintenance contract providing at least the minimum benefits of a qualified plan as prescribed by section 62E.06 and the option of a number three qualified plan, a number two qualified plan, a number one qualified plan as provided by section 62E.06, subdivisions 1 to 3, provided application is made to the health maintenance organization within 30 days following notice of the expiration of the continued coverage and upon payment of the appropriate fee. A contract providing reduced benefits at a reduced fee may be accepted by the former spouse and dependent children in lieu of the optional coverage otherwise required by this subdivision. The individual health maintenance contract shall be renewable at the option of the former spouse as long as the former spouse is not covered under another qualified plan as defined in section 62E.02, subdivision 4, up to age 65 or to the day before the date of eligibility for coverage under title XVIII of the Social Security Act, as amended. Any revisions in the table of rate for the individual contract shall apply to the former spouse's original age at entry, and shall apply equally to all similar contracts issued by the health maintenance organization.

Subd. 2a. [CONTINUATION PRIVILEGE.] Every health maintenance contract as described in subdivision 1 shall contain a provision which permits continuation of coverage under the contract for the enrollee's former spouse and children upon entry of a valid decree of dissolution of marriage,

if the decree requires the enrollee to provide continued coverage for those persons. The coverage may shall be continued until the earlier of the following dates:

(a) The date of remarriage of either the enrollee or the enrollee's former spouse the enrollee's former spouse becomes covered under another group plan or Medicare; or

(b) The date coverage would otherwise terminate under the health maintenance contract.

If coverage is provided under a group policy, any required premium contributions for the coverage must be paid by the enrollee on a monthly basis to the group contract holder to be paid to the health maintenance organization. The fee charged must not exceed 102 percent of the cost to the plan for the period of coverage for other similarly situated spouses and dependent children when the marital relationship has not dissolved, regardless of whether the cost is paid by the employer or employee.

Subd. 3. [APPLICATION.] Subdivision 1 applies to every health maintenance contract which is delivered, issued for delivery, renewed or amended on or after July 19, 1977.

Subdivisions 2 and 2a apply to every health maintenance contract which is delivered, issued for delivery, renewed, or amended on or after March 1, 1983.

Sec. 7. [62D.104] [REQUIRED OUT-OF-AREA CONVERSION.]

Notwithstanding section 62A.17, subdivisions 1 and 6, enrollees who have become nonresidents of the health maintenance organization's service area but remain residents of the state of Minnesota must be given the option, to be arranged by the health maintenance organization, of a number three qualified plan, a number two qualified plan, or a number one qualified plan as provided by section 62E.06, subdivisions 1 to 3; or, if the enrollees are covered by Title XVIII of the Social Security Act (Medicare), they must be given the option of a qualified Medicare supplement plan as provided by sections 62A.31 to 62A.35. This option must be made available at the enrollee's expense, without further evidence of insurability and without interruption of coverage.

Sec. 8. [62D.105] [COVERAGE OF CURRENT SPOUSE AND CHILDREN.]

Subdivision 1. [REQUIREMENT.] Every health maintenance contract that in addition to covering the enrollee also covers the spouse and dependent children of the enrollee must: (1) permit the spouse and dependent children to elect to continue coverage when the enrollee becomes enrolled for benefits under Title XVIII of the Social Security Act (Medicare); and (2) permit the dependent children to continue coverage when they cease to be dependent children under the generally applicable requirement of the plan.

Subd. 2. [CONTINUATION PRIVILEGE.] The coverage described in subdivision 1 may be continued until the earlier of the following dates:

(1) the date coverage would otherwise terminate under the contract;

(2) 36 months after continuation by the spouse or dependent was elected;

or

(3) the date the spouse or dependent children become covered under another group health plan or Medicare.

If coverage is provided under a group policy, any required fees for the coverage must be paid by the enrollee on a monthly basis to the group contract holder for remittance to the health maintenance organization. The fee charged must not exceed 102 percent of the cost to the plan for coverage for other similarly situated spouses and dependent children to whom subdivision 1 is not applicable, without regard to whether the cost is paid by the employer or employee.

Sec. 9. Minnesota Statutes 1986, section 62D.11, is amended to read:
62D.11 [COMPLAINT SYSTEM.]

Subdivision 1. Every health maintenance organization shall establish and maintain a complaint system including an impartial arbitration provision, to provide reasonable procedures for the resolution of written complaints initiated by enrollees concerning the provision of health care services. "Provision of health services" includes, but is not limited to, questions of the scope of coverage, quality of care, and administrative operations. Arbitration shall be subject to chapter 572, except (a) in the event that an enrollee elects to litigate a complaint prior to submission to arbitration, and (b) no medical malpractice damage claim shall be subject to arbitration unless agreed to by both parties subsequent to the event giving rise to the claim.

Subd. 1a. Where a complaint involves a dispute about a health maintenance organization's coverage of an immediately and urgently needed service, the commissioner may either (a) review the complaint and any information and testimony necessary in order to make a determination and order the appropriate remedy pursuant to sections 62D.15 to 62D.17, or (b) order the health maintenance organization to use an expedited system to process the complaint.

Subd. 2. The health maintenance organization shall maintain a record of each written complaint filed with it for ~~three~~ five years and the commissioner of health shall have access to the records.

Sec. 10. Minnesota Statutes 1986, section 62D.12, subdivision 2, is amended to read:

Subd. 2. No health maintenance organization may cancel or fail to renew the coverage of an enrollee except for (a) failure to pay the charge for health care coverage; (b) termination of the health care plan; (c) termination of the group plan; (d) enrollee moving out of the area served, subject to ~~section~~ sections 62A.17, subdivisions 1 and 6, and 62D.104; (e) enrollee moving out of an eligible group, subject to ~~section~~ sections 62A.17, subdivisions 1 and 6, and 62D.104; (f) failure to make copayments required by the health care plan; or (g) other reasons established in rules promulgated by the commissioner of health.

An enrollee Subd. 2a. Enrollees shall be given 30 days notice of any cancellation or nonrenewal, except that enrollees who are eligible to receive replacement coverage under section 62D.121, subdivision 1, must receive 90 days notice as provided under section 62D.121, subdivision 5.

Sec. 11. Minnesota Statutes 1986, section 62D.12, is amended by adding a subdivision to read:

Subd. 14. An enrollee must not be required to obtain approval from the health maintenance organization for services or medical supplies prescribed or authorized by a participating provider when the services or medical supplies are medically necessary and otherwise covered under the health maintenance organization contract. Questions regarding prior authorization and approval are the responsibility of the provider, not the enrollee. Each health maintenance organization shall establish a telephone number, which need not be toll-free, that providers may call with questions about coverage, prior authorization, and approval of medical services. The telephone number must be staffed by an employee of the health maintenance organization during normal working hours during the normal work week. After normal working hours, the telephone number must be equipped with an answering machine and recorded message to allow the caller an opportunity to leave a message. The health maintenance organization must respond to questions within 24 hours after they are received, excluding weekends and holidays. At the request of a provider, the health maintenance organization shall provide a copy of the health maintenance contract for enrollees in the provider's service area.

Sec. 12. [62D.121] [REQUIRED REPLACEMENT COVERAGE.]

Subdivision 1. When membership of an enrollee who has individual health coverage is terminated by the health maintenance organization for a reason other than (a) failure to pay the charge for health care coverage; (b) failure to make copayments required by the health care plan; (c) enrollee moving out of the area served; or (d) a materially false statement or misrepresentation by the enrollee in the application for membership; the health maintenance organization must offer or arrange to offer replacement coverage, without evidence of insurability, without preexisting condition exclusions, and without interruption of coverage.

Subd. 2. If the health maintenance organization has terminated individuals from coverage for reasons other than the loss of providers in a service area, the replacement coverage must be health maintenance organization coverage issued by the health maintenance organization terminating coverage.

Subd. 3. The replacement coverage must provide coverage substantially similar to the coverage that was provided to the enrollee by the health maintenance organization canceling coverage. The fee or premium of the replacement coverage must not exceed the premium charged by the state comprehensive health plan as established under section 62E.08, for substantially similar coverage.

If the replacement coverage is health maintenance organization coverage, the fee must not exceed 125 percent of the cost of the average fee charged by health maintenance organizations for a similar health plan. The commissioner of health will determine the average cost of the plan on the basis of information provided annually by the health maintenance organizations concerning the rates charged by the health maintenance organizations for the plans offered.

Subd. 4. The commissioner shall approve or disapprove the replacement coverage within 30 days. A health maintenance organization shall not give enrollees a notice of cancellation of coverage until a replacement policy has been filed with the commissioner and approved or disapproved.

Subd. 5. The health maintenance organization shall provide the terminated enrollees with a notice of cancellation 90 days before the date the cancellation takes effect. If the replacement coverage is approved by the commissioner under subdivision 4, the notice must clearly and completely describe the replacement coverage that the enrollees are eligible to receive and explain the procedure for enrolling. If the replacement coverage is not approved by the commissioner, the health maintenance organization shall provide a cancellation notice with information that the enrollee is entitled to enroll in the state comprehensive health insurance plan with a waiver of the waiting period for preexisting conditions under section 62E.14, subdivisions 1, paragraph (e), and 5.

Subd. 6. [GEOGRAPHIC ACCESSIBILITY.] If the commissioner determines that there are not enough providers to assure that enrollees have accessible health services available in a geographic service area, the commissioner shall institute a plan of corrective action that must be followed by the health maintenance organization. The plan may include but is not limited to requiring the health maintenance organization to make payments to nonparticipating providers for health services for enrollees; requiring the health maintenance organization to discontinue accepting new enrollees in that service area; and requiring the health maintenance organization to reduce its geographic service area. If a nonparticipating provider has been a participating provider with the health maintenance organization within the last year, any payments made under this section must not exceed the payment level of the previous contract.

Sec. 13. Minnesota Statutes 1986, section 62D.17, subdivision 1, is amended to read:

Subdivision 1. The commissioner of health may, for any violation of statute or rule applicable to a health maintenance organization, or in lieu of suspension or revocation of a certificate of authority under section 62D.15, levy an administrative penalty in an amount up to \$10,000 for each violation. In the case of contracts or agreements made pursuant to section 62D.05, subdivisions 2 to 4, each contract or agreement entered into or implemented in a manner which violates sections 62D.01 to 62D.29 shall be considered a separate violation. Reasonable notice in writing to the health maintenance organization shall be given of the intent to levy the penalty and the reasons therefor, and the health maintenance organization may have a reasonable time 15 days within which to remedy the defect in its operations which gave rise to the penalty citation, or have file a written request for an administrative hearing and review of the commissioner of health's determination. Such administrative hearing shall be subject to judicial review pursuant to chapter 14.

Sec. 14. Minnesota Statutes 1986, section 62E.11, is amended by adding a subdivision to read:

Subd. 9. (a) Each contributing member that terminates individual health coverage regulated under chapter 62A, 62C, 62D, or 64B, for reasons other than (a) nonpayment of premium; (b) failure to make copayments; (c) enrollee moving out of the area served; or (d) a materially false statement or misrepresentation by the enrollee in the application for membership; and does not provide or arrange for replacement coverage that meets the requirements of section 12, subdivision 3; shall pay a special assessment to the state plan based upon the number of terminated individuals who join the comprehensive health insurance plan as authorized under section

62E.14, subdivision 1, paragraph (e), and subdivision 6. The contributing member shall pay the association an amount equal to the average cost of an enrollee in the state plan in the year in which the member terminated enrollees, multiplied by the total number of terminated enrollees who enroll in the state plan.

(b) The average cost of an enrollee in the state comprehensive health insurance plan must be determined by dividing the state plan's total annual losses by the total number of enrollees for that year. This cost must be assessed to the contributing member who has terminated health coverage before the association makes the annual determination of each contributing member's liability as required under this section.

Sec. 15. Minnesota Statutes 1986, section 62E.11, is amended by adding a subdivision to read:

Subd. 10. Any contributing members who have terminated individual health plans and do not provide or arrange for replacement coverage that meets the requirements of section 12, subdivision 3, and whose former insureds or enrollees enroll in the state comprehensive health insurance plan with a waiver of the preexisting conditions pursuant to section 62E.14, subdivisions 1, paragraph (e), and 6, are liable for the costs of any preexisting conditions of their former enrollees or insureds treated during the first six months of coverage under the state plan. The liability for preexisting conditions must be assessed before the association makes the annual determination of each contributing member's liability as required under this section.

Sec. 16. Minnesota Statutes 1986, section 62E.14, subdivision 1, is amended to read:

Subdivision 1. [CERTIFICATE, CONTENTS.] The comprehensive health insurance plan shall be open for enrollment by eligible persons. An eligible person shall enroll by submission of a certificate of eligibility to the writing carrier. The certificate shall provide the following:

(a) Name, address, age, and length of time at residence of the applicant;

(b) Name, address, and age of spouse and children if any, if they are to be insured;

(c) Evidence of rejection, a requirement of restrictive riders, a rate up, or a preexisting conditions limitation on a qualified plan, the effect of which is to substantially reduce coverage from that received by a person considered a standard risk, by at least one association members within six months of the date of the certificate, or other eligibility requirements adopted by rule by the commissioner which are not inconsistent with this chapter and which evidence that a person is unable to obtain coverage substantially similar to that which may be obtained by a person who is considered a standard risk;

(d) For persons applying for coverage as allowed under section 62E.081, evidence that the applicant meets the eligibility requirements of section 62E.081, subdivision 1; ~~and~~

(e) *If the applicant has been terminated from individual health coverage which does not provide replacement coverage, evidence that no replacement coverage that meets the requirements of section 12, subdivision 3, was offered, and evidence of termination of individual health coverage by an insurer, nonprofit health service plan corporation, or health maintenance*

organization for reasons other than (1) failure to pay the charge for health care coverage; (2) failure to make copayments required by the health care plan; (3) enrollee moving out of the area served; or (4) a materially false statement or misrepresentation by the enrollee in the application for membership; and

(f) A designation of the coverage desired.

An eligible person may not purchase more than one policy from the state plan. Upon ceasing to be a resident of Minnesota a person is no longer eligible to purchase or renew coverage under the state plan.

Sec. 17. Minnesota Statutes 1986, section 62E.14, subdivision 3, is amended to read:

Subd. 3. [PREEXISTING CONDITIONS.] No person who obtains coverage pursuant to this section shall be covered for any preexisting condition during the first six months of coverage under the state plan if the person was diagnosed or treated for that condition during the 90 days immediately preceding the filing of an application *except as provided under subdivisions 4, 5, and 6.*

Sec. 18. Minnesota Statutes 1986, section 62E.14, is amended by adding a subdivision to read:

Subd. 6. A Minnesota resident who holds an individual health maintenance contract, individual nonprofit health service corporation contract, or an individual insurance policy previously approved by the commissioners of health or commerce, may enroll in the comprehensive health insurance plan with a waiver of the preexisting condition as described in subdivision 3, without interruption in coverage, provided (1) no replacement coverage that meets the requirements of section 12, subdivision 3, was offered by the contributing member and (2) the policy or contract has been terminated for reasons other than (a) nonpayment of premium; (b) failure to make copayments required by the health care plan; (c) moving out of the area served; or (d) a materially false statement or misrepresentation by the enrollee in the application for membership. The option to enroll in the plan must be exercised within 30 days of termination of the existing policy or contract. Coverage allowed under this section is effective on the date of termination, when the contract or policy is terminated and the enrollee has completed the proper application and paid the required premium or fee. Expenses incurred from the preexisting conditions of individuals enrolled in the state plan under this subdivision must be paid by the contributing member canceling coverage as set forth in section 62D.11, subdivision 10. The application must include evidence of termination of the existing policy or certificate as required in subdivision 1.

Sec. 19. Minnesota Statutes 1986, section 62E.16, is amended to read:

62E.16 [CONVERSION PRIVILEGES.]

Every program of self-insurance, policy of group accident and health insurance or contract of coverage by a health maintenance organization written or renewed in this state, shall include, in addition to the provisions required by section 62A.17, the right to convert to an individual coverage qualified plan without the addition of underwriting restrictions if the individual insured leaves the group regardless of the reason for leaving the group, or upon cancellation or termination of the coverage for the group except where uninterrupted and continuous group coverage is otherwise

provided to the group. *If the health maintenance organization has canceled coverage for the group because of a loss of providers in a service area, the health maintenance organization shall arrange for other health maintenance or indemnity conversion options that must be offered to enrollees without the addition of underwriting restrictions.* The required conversion contract must treat pregnancy the same as any other covered illness under the conversion contract. The person may exercise this right to conversion within 30 days of leaving the group or within 30 days following receipt of due notice of cancellation or termination of coverage of the group and upon payment of premiums from the date of termination or cancellation. Due notice of cancellation or termination of coverage for a group shall be provided to each employee having coverage in the group by the insurer, self-insurer or health maintenance organization canceling or terminating the coverage except where reasonable evidence indicates that uninterrupted and continuous group coverage is otherwise provided to the group. Every employer having a policy of group accident and health insurance, group subscriber or contract of coverage by a health maintenance organization shall, upon request, provide the insurer or health maintenance organization a list of the names and addresses of covered employees. Plans of health coverage shall also include a provision which, upon the death of the individual in whose name the contract was issued, permits every other individual then covered under the contract to elect, within the period specified in the contract, to continue coverage under the same or a different contract without the addition of underwriting restrictions until the individual would have ceased to have been entitled to coverage had the individual in whose name the contract was issued lived. An individual conversion contract issued by a health maintenance organization shall not be deemed to be an individual enrollment contract for the purposes of section 62D.10.

Sec. 20. [COMMISSION ON HEALTH PLAN REGULATORY REFORM.]

The commission on health plan regulatory reform created in Laws 1987, chapter 370, article 1, section 11, shall make recommendations for expedited review mechanisms for complaints concerning health maintenance organization coverage of an immediately and urgently needed service.

Sec. 21. [REPEALER.]

Laws 1984, chapter 464, sections 29 and 40, are repealed."

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

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 2008: A bill for an act relating to health maintenance organizations; requiring insolvency insurance policies to be filed; requiring a deposit; creating a net worth requirement; allowing for a reduction of net worth in certain circumstances; defining admitted assets; imposing investment restrictions; requiring quarterly reports; providing for the inclusion of certain items in provider contracts; regulating rehabilitation and liquidations; including health maintenance organizations in the Life and Health Guaranty Association; requiring health maintenance organizations to maintain liabilities for unpaid claims; amending Minnesota Statutes 1986, sections 62D.02, by adding subdivisions; 62D.03, subdivision 4; 62D.041, subdivisions 1, 2, 3, 4, 7, and by adding subdivisions; 62D.05, subdivision

3; 62D.08, by adding a subdivision; 62D.12, subdivision 5; and 62D.18; Minnesota Statutes 1987 Supplement, section 62D.04, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 62D; repealing Minnesota Statutes 1986, section 62D.041, subdivisions 5, 6, and 8.

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

Page 1, line 29, delete "16" and insert "15"

Page 2, delete section 3

Page 8, line 12, after the stricken period, insert "*The commissioner may allow a health maintenance organization's deposit requirement to be met by a guaranteeing organization, as defined in section 14, subdivision 1, based on the criteria set out in section 14, subdivision 4.*"

Page 8, lines 29 and 33, delete "50" and insert "33"

Page 8, strike lines 35 and 36

Page 9, strike lines 1 to 4

Page 9, line 8, delete "*April 1*" and insert "*December 31*"

Page 9, lines 13 and 30, delete "50" and insert "33"

Page 9, strike lines 17 to 27

Page 10, after line 30, insert:

"Sec. 13. Minnesota Statutes 1986, section 62D.041, is amended by adding a subdivision to read:

Subd. 9. [LETTER OF CREDIT.] A health maintenance organization may satisfy one-half of its deposit requirement through use of a letter of credit issued by a bank authorized to do business in this state, provided that:

(1) nothing more than a demand for payment is necessary for payment;

(2) the letter of credit is irrevocable;

(3) according to its terms, the letter of credit cannot expire without due notice from the issuer and the notice must occur at least 60 days prior to the expiration date and be in the form of a written notice to the commissioner;

(4) the letter of credit is issued or confirmed by a bank that is a member of the federal reserve system;

(5) the letter of credit is unconditional, is not contingent upon reimbursement to the bank or the bank's ability to perfect any lien or security interest, and does not contain references to any other agreements, documents, or entities;

(6) the letter of credit designates the commissioner as beneficiary; and

(7) the letter of credit may be drawn upon after insolvency of the health maintenance organization."

Page 11, line 1, delete "and," and insert a period

Page 11, delete lines 2 to 8

Page 11, lines 12, 17, 23, 27, and 31, delete "16-2/3" and insert "8-1/3"

Page 11, line 22, delete "April 1, 1991" and insert "December 31, 1993"

Page 11, lines 26 and 30, delete "April 1" and insert "December 31"

Page 11, line 27, delete "one-third" and insert "one-fifth"

Page 11, line 31, delete "two-thirds" and insert "two-fifths"

Page 11, after line 33, insert:

"(d) On December 31, 1991, organizations shall have a net worth of three-fifths of an amount equal to 8-1/3 percent of the sum of all expenses incurred during the previous calendar year, or \$1,000,000, whichever is greater.

(e) On December 31, 1992, organizations shall have a net worth of four-fifths of an amount equal to 8-1/3 percent of the sum of all expenses incurred during the previous calendar year, or \$1,000,000, whichever is greater."

Page 11, line 34, before "The" insert "(a)"

Page 12, line 5, after the period, insert "If the commissioner allows a guaranteeing organization to satisfy the net worth requirement of more than one health maintenance organization, the guaranteeing organization must maintain the required net worth of the guaranteed health maintenance organizations on an aggregate basis.

(b)"

Page 12, line 7, after "worth" insert "or deposit"

Page 12, after line 11, insert:

"(c) No provider may be compelled to serve as a guaranteeing organization."

Pages 12 to 16, delete section 15

Page 16, line 2, delete "62D.044" and insert "62D.043"

Page 16, lines 4, 9, 27, and 36, delete "17" and insert "16"

Page 17, lines 3, 6, and 12, delete "17" and insert "16"

Page 17, line 29, delete "62D.045" and insert "62D.044"

Page 17, delete lines 30 to 36 and insert:

"Subdivision 1. [RESTRICTIONS.] Money of a health maintenance organization must be invested only in securities and property designated by law for investment by domestic life insurance companies, except money may be used to purchase real estate, including leasehold estates and leasehold improvements, only if for the convenient accommodation of the organization's business operations, including the home office, branch offices, medical facilities, and field office operations, on the following conditions:

(1) a parcel of real estate acquired under this subdivision may include excess space for rent to others if it is reasonably anticipated that the excess will be required by the organization for expansion or if the excess is reasonably required in order to have one or more buildings that will function as an economic unit;

(2) the real estate may be subject to a mortgage; and

(3) the purchase price of the asset, including capitalized permanent

improvements, less depreciation spread evenly over the life of the property or less depreciation computed on any basis permitted under the Internal Revenue Code and its regulations, or the organization's equity plus all encumbrances on the real estate owned by a company under this subdivision, whichever is greater, does not exceed 20 percent of its admitted assets, except if permitted by the commissioner upon a finding that the percentage of the health maintenance organization's admitted assets is insufficient to provide convenient accommodation for the organization's business. However, a health maintenance organization that directly provides medical services may invest an additional 20 percent of its admitted assets in real estate, not requiring the permission of the commissioner."

Page 18, delete line 1

Page 18, line 20, delete everything after the period

Page 18, delete lines 21 to 36

Delete page 19, line 1, to page 29, line 36

Page 30, delete lines 1 to 13

Page 30, line 14, delete "9" and insert "5"

Page 31, line 4, after "organization" insert "with appropriate management comments and explanations"

Page 31, line 6, after "quarter" insert ", and must be maintained as public data, as defined by section 13.02, subdivision 14"

Page 31, line 13, strike "the periodic"

Page 31, line 14, strike everything before the period and insert "copayments for health care services. The health maintenance organization shall not have recourse against enrollees or persons acting on their behalf for amounts above those specified in the evidence of coverage as the copayment for health care services"

Page 31, after line 19, insert:

"This subdivision does not limit a provider's ability to seek payment from any person other than the enrollee, the enrollee's guardian or conservator, the enrollee's immediate family members, or the enrollee's legal representative in the event of nonpayment by the health maintenance organization.

Sec. 20. Minnesota Statutes 1986, section 62D.12, is amended by adding a subdivision to read:

Subd. 9b. [PROVIDER ASSUMPTION OF RISK.] No health maintenance organization shall enter into an agreement with a hospital in which the hospital agrees to assume the financial risk for services provided by other facilities or providers not owned, operated, or otherwise subject to the control of the hospital assuming the financial risk."

Page 32, after line 24, insert:

"Sec. 22. Minnesota Statutes 1986, section 62D.14, subdivision 1, is amended to read:

Subdivision 1. The commissioner of health may make an examination of the affairs of any health maintenance organization and its contracts, agreements, or other arrangements with any participating entity as often

as the commissioner of health deems necessary for the protection of the interests of the people of this state, but not less frequently than once every three years, ~~provided that~~. *Examinations of participating entities pursuant to this subdivision shall be limited to their dealings with the health maintenance organization and its enrollees, except that examinations of major participating entities may include inspection of the entity's financial statements kept in the ordinary course of business."*

Page 33, after line 32, insert:

"If the court approves a contract amendment that diminishes a provider's compensation, the amendment may not be effective for more than 60 days."

Page 34, line 6, delete "23" and insert "24"

Page 34, line 20, delete "money appropriated and"

Page 35, delete lines 1 and 2

Pages 35 and 36, delete section 23 and insert:

"Sec. 24. [62D.181] [INSOLVENCY; ASSIGNED REPLACEMENT COVERAGE.]

Subdivision 1. [DEFINITIONS.] (a) "Health plan" means a health maintenance organization, health insurer, or non-profit health service plan corporation.

(b) "Association" means the Minnesota comprehensive health association created in section 62E.10.

Subd. 2. [ELIGIBLE INDIVIDUALS.] An individual is eligible for assigned replacement coverage under this section if:

(1) the individual had individual health coverage through a health maintenance organization, the coverage is no longer available due to the insolvency of the health maintenance organization, and the individual has not obtained replacement coverage; or

(2) the individual had group health coverage through a health maintenance organization, the coverage is no longer available due to the insolvency of the health maintenance organization, no other health plans are offered by the employer, and the individual has not obtained replacement coverage.

Subd. 3. [APPLICATION AND ASSIGNMENT.] If a health maintenance organization is insolvent and will be liquidated, individuals eligible for assigned replacement coverage under subdivision 2 may apply to the Minnesota comprehensive health association to obtain replacement coverage. Upon receiving an application and evidence that the applicant was enrolled in the health maintenance organization at the time it was determined to be insolvent, the association shall randomly assign eligible individuals to all health plans operating in the service area of the health maintenance organization, in proportion to the statewide total premiums received by the health plans in the previous 12 months.

Subd. 4. [REASSIGNMENT OF INDIVIDUALS.] (a) Before notifying an individual of an assignment under subdivision 3, the association shall notify each health plan of the number of individuals proposed to be assigned to that health plan. Within five working days after a health plan receives the notice, the health plan may petition the association to reduce the

number of individuals assigned to the health plan. If the health plan demonstrates that it does not have the provider capacity to adequately serve all of the additional individuals, the association shall reduce the number accordingly and reallocate the individuals to other health plans with sufficient capacity.

(b) Within 14 days after receiving notice of assignment to replacement coverage under subdivision 3, an individual may petition the association for reassignment to a different health plan. The association shall reassign the individual if the association determines that the medical treatment of a preexisting condition will be adversely affected by the initial assignment.

Subd. 5. [COVERAGE.] Replacement coverage assigned under this section must be a number two qualified plan, as described in section 62E.06, subdivision 2, or for individuals over age 65, a medicare supplement 2 plan, as described in section 62A.34.

Subd. 6. [PREMIUM.] The premium for replacement coverage assigned under this section must not exceed 80 percent of the premium for the comparable coverage offered by the Minnesota comprehensive health association.

Subd. 7. [DURATION.] The duration of replacement coverage assigned under this section is:

- (1) for individuals eligible under subdivision 2, clause (1), 90 days; and*
- (2) for individuals eligible under subdivision 2, clause (2), 90 days or the length of time remaining in the group contract with the insolvent health maintenance organization, whichever is greater."*

Page 36, delete section 25 and insert:

"Sec. 26. Minnesota Statutes 1986, section 62D.19, is amended to read:

62D.19 [UNREASONABLE EXPENSES.]

No health maintenance organization shall incur or pay for any expense of any nature which is unreasonably high in relation to the value of the service or goods provided. The commissioner of health shall implement and enforce this section by rules adopted under this section.

In an effort to achieve the stated purposes of sections 62D.01 to 62D.29; in order to safeguard the underlying nonprofit status of health maintenance organizations; and to ensure that the payment of health maintenance organization money to major participating entities results in a corresponding benefit to the health maintenance organization and its enrollees, when determining whether an organization has incurred an unreasonable expense in relation to a major participating entity, due consideration shall be given to, in addition to any other appropriate factors, whether the officers and trustees of the health maintenance organization have acted with good faith and in the best interests of the health maintenance organization in entering into, and performing under, a contract under which the health maintenance organization has incurred an expense. *The commissioner has standing to sue, on behalf of a health maintenance organization, officers or trustees of the health maintenance organization who have breached their fiduciary duty in entering into and performing contracts.*

Sec. 27. [REPORT.]

By January 31, 1992, the commissioners of health and commerce shall

jointly issue a report analyzing the inclusion of health maintenance organizations in the life and health guaranty association, the effects such inclusion has on enrollees, member insurers, and health maintenance organizations, and recommending whether to continue such inclusion."

Page 36, line 14, after the period, insert "Section 24 is repealed June 30, 1992."

Page 36, line 16, delete "26" and insert "27"

Renumber the sections in sequence

Amend the title as follows:

Page 1, lines 10 to 12, delete "including health maintenance organizations in the Life and Health Guaranty Association" and insert "providing for assigned replacement coverage in the event of insolvency"

Page 1, line 14, after the semicolon, insert "expanding the power of the commissioner of health to examine records and enforce requirements; requiring a report;"

Page 1, line 18, after "5" insert ", and by adding a subdivision; 62D.14, subdivision 1;" and delete "and" and after "62D.18;" insert "and 62D.19;"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

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

S.F. No. 1569: A bill for an act relating to transportation; removing restrictions on the funding of tourist information centers; repealing Minnesota Statutes 1987 Supplement, section 161.52.

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

Mr. Chmielewski from the Committee on Employment, to which was referred

S.F. No. 2311: A bill for an act relating to employment and training; creating an advisory task force on the employment and training of dislocated workers.

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

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

S.F. No. 2376: A resolution memorializing the Congress of the United States to reinstate diesel fuel tax exemptions for farmers and other off-road users.

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

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

S.F. No. 2345: A bill for an act relating to agriculture; changing and clarifying the small business development loan portion of the agricultural

resource loan guarantee program; amending Minnesota Statutes 1987 Supplement, sections 41A.02, subdivision 16; and 41A.036, by adding subdivisions.

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

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

S.F. No. 2322: A bill for an act relating to agriculture; appropriating money for beginning farmer educational programs.

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

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

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

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 323.24, is amended to read:

323.24 [NATURE OF A PARTNER'S RIGHT IN SPECIFIC PARTNERSHIP PROPERTY.]

A partner is coowner with the other partners of specific partnership property holding as a tenant in partnership.

The incidents of this tenancy are such that:

(1) A partner, subject to the provisions of this chapter and to any agreement between the partners, has an equal right with the other partners to possess specific partnership property for partnership purposes; but has no right to possess such property for any other purpose without the consent of the other partners;

(2) A partner's right in specific partnership property is not assignable except in connection with the assignment of the rights of all the partners in the same property;

(3) A partner's right in specific partnership property is not subject to attachment, garnishment or execution, except on a claim against the partnership; when partnership property is attached for a partnership debt the partners, or any of them, or the representatives of a deceased partner, cannot claim any right under the homestead or exemption laws, *except as specifically authorized under the homestead or exemption laws*;

(4) On the death of a partner that partner's right in specific partnership property vests in the surviving partner or partners, except where the deceased was the last surviving partner, when the deceased's right in such property vests in the deceased's legal representative; such surviving partner or partners, or the legal representative of the last surviving partner, has no right to possess the partnership property for any but a partnership purpose; and

(5) A partner's right in specific partnership property is not subject to

dower, curtesy, the statutory interest of a surviving spouse, or allowances to a surviving spouse, heirs or next of kin.

Sec. 2. Minnesota Statutes 1986, section 550.37, subdivision 18, is amended to read:

Subd. 18. The exemptions provided for in subdivisions 3 to 15 extend only to debtors who are natural persons, *partnerships of spouses, and partnerships of natural persons related to each other within the third degree of kindred according to the rules of civil procedure.*

Sec. 3. Minnesota Statutes 1986, section 550.37, subdivision 19, is amended to read:

Subd. 19. [WAIVER.] The exemption of the property listed in subdivisions 2, 3, and 5 to 12a may not be waived *with regard to a security interest* except by a statement in substantially the following form, in bold face type of a minimum size of 12 points, signed and dated by the debtor at the time of the execution of the contract surrendering the exemption, immediately adjacent to the listing of the property: "I understand that some or all of the above property is normally protected by law from the claims of creditors, and I voluntarily give up my right to that protection for the above listed property with respect to claims arising out of this contract."

Delete the title and insert:

"A bill for an act relating to agriculture; allowing exemptions for partnerships if the partnership is made up of certain individuals; amending Minnesota Statutes 1986, sections 323.24; and 550.37, subdivisions 18 and 19."

And when so amended the bill do pass and be re-referred to the Committee on Judiciary. Amendments adopted. Report adopted.

Mr. Chmielewski from the Committee on Employment, to which was referred

S.F. No. 2133: A bill for an act relating to workers' compensation; providing coverage for preventive rabies treatment; amending Minnesota Statutes 1987 Supplement, section 176.135, subdivision 1.

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

Mr. Frank from the Committee on Economic Development and Housing, to which was referred

S.F. No. 1968: A bill for an act relating to economic development; providing for the use of municipal resources for establishment of a local revolving loan fund; amending Minnesota Statutes 1987 Supplement, section 116N.08, subdivision 8.

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

Mr. Frank from the Committee on Economic Development and Housing, to which was referred

S.F. No. 1964: A bill for an act relating to public finance; providing conditions of local and state government debt financing; allocating bonding

authority subject to a volume cap under federal tax law; amending Minnesota Statutes 1987 Supplement, sections 474A.04, subdivision 1a; 474A.061, subdivisions 2 and 4; and 474A.091; repealing Minnesota Statutes 1987 Supplement, section 474A.061, subdivision 5.

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

Mr. Frank from the Committee on Economic Development and Housing, to which was referred

S.F. No. 1672: A bill for an act relating to housing; repealing the expiration date of housing and redevelopment authorities' power to provide interest reduction assistance; repealing Minnesota Statutes 1987 Supplement, section 469.012, subdivision 10.

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

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 2033: A bill for an act relating to intoxicating liquor; exempting new municipal liquor stores from vote on discontinuance for failure to show a profit; amending Minnesota Statutes 1986, section 340A.602.

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

Delete everything after the enacting clause and insert:

"Section 1. [CONTINUANCE OF MUNICIPAL LIQUOR STORE IN PROCTOR.]

Notwithstanding the provisions of Minnesota Statutes, section 340A.602, the city of Proctor may continue to operate a municipal liquor store without holding a public hearing on the continuation of the municipal liquor store under that section or without being required to submit the continuation of the municipal liquor store to a referendum under that section. The authority granted by this section expires five years from the effective date of this section.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective on approval by the Proctor city council and compliance with section 645.021."

Delete the title and insert:

"A bill for an act relating to the city of Proctor; authorizing the continuance of a municipal liquor store."

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

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 1795: A bill for an act relating to alcoholic beverages; increasing the time period for notification to licensing authorities of cancellation of liquor liability insurance; specifying that hearings by licensing authorities on license suspensions or revocations need not be before an administrative hearing officer; amending Minnesota Statutes 1986, section 340A.409,

subdivision 1; and Minnesota Statutes 1987 Supplement, section 340A.415.

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

Page 2, line 19, after "for" insert ":

(1)" and after "cause" insert ", *except for nonpayment of premium,*"

Page 2, line 22, before the period, insert "; and

(2) *nonpayment of premium unless the canceling party has first given ten days' notice in writing to the issuing authority of intent to cancel the policy"*

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

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 2357: A bill for an act relating to liquor; authorizing the city of Blaine to issue an on-sale intoxicating liquor license to the city of Blaine.

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

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 2352: A bill for an act relating to alcoholic beverages; defining importers as brewers in the beer wholesaling act; amending Minnesota Statutes 1986, section 325B.01, subdivision 4.

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

Mr. Chmielewski from the Committee on Employment, to which was referred

S.F. No. 1739: A bill for an act relating to workers' compensation; providing for the calculation of compensation for volunteer firefighters; amending Minnesota Statutes 1986, section 176.011, subdivision 3.

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

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 2121: A bill for an act relating to human services; appropriating money for administering service delivery improvement pilot projects.

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

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

S.F. No. 2324: A bill for an act relating to agriculture; appropriating money for bluegrass seed and turf production.

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

Page 1, after line 16, insert:

"Sec. 2. [ALFALFA EXTRACTION PROCESS.]

\$300,000 is appropriated from the general fund to the commissioner of agriculture to be matched on a 2 to 1 basis with other funds, equipment, and services to establish a pilot plant for a protein xanthophyll alfalfa extraction process. The commissioner must contract to establish a pilot plant for the process and operations of the plant with the required testing for markets.

Sec. 3. [SWEET SORGHUM RESEARCH AND DEMONSTRATION.]

\$94,000 is appropriated from the general fund to the commissioner of agriculture to contract for sweet sorghum research and demonstration projects that provide information about the feasibility of growing sweet sorghum as a Minnesota crop."

Amend the title as follows:

Page 1, line 3, before the period, insert ", alfalfa extraction process pilot plant, and sweet sorghum research and demonstration projects"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

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

S.F. No. 1154: A bill for an act relating to motor vehicles; taxation; imposing a \$25 sales tax on certain collector motor vehicles; amending Minnesota Statutes 1986, sections 297B.02, subdivision 2, and by adding a subdivision; and 297B.025.

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

Page 1, line 18, delete "\$25" and insert "\$90"

Page 2, line 26, delete "1987" and insert "1988"

Amend the title as follows:

Page 1, line 2, delete "\$25" and insert "\$90"

And when so amended the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Amendments adopted. Report adopted.

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

S.F. No. 267: A bill for an act relating to transportation; increasing amount authorized for state transportation bonds for bridges; amending Laws 1979, chapter 280, sections 1 and 2, as amended.

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

Page 3, line 6, delete "1987" and insert "1988"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was re-referred

S.F. No. 1783: A bill for an act relating to motor vehicles; requiring mandatory annual inspection of motor vehicle emission control equipment on vehicles registered in the metropolitan area; prescribing powers and duties of the pollution control agency and the department of public safety; imposing fees for inspection; prescribing penalties; requiring that gasoline sold in the metropolitan area for use in motor vehicles must contain oxygenated fuel; requiring the commissioners of agriculture, transportation, pollution control agency, and public service to recommend an oxygenated fuel to the legislature; appropriating money; amending Minnesota Statutes 1986, section 296.16, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 116.

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

Page 2, line 22, delete everything after "(a)"

Page 2, line 23, delete "July 1, 1990,"

Pages 7 and 8, delete section 7

Page 8, line 8, delete "By January 1, 1989,"

Page 8, line 9, before "the" insert "of"

Page 8, line 10, after "shall" insert "*study the feasibility of requiring or encouraging the use of oxygenated fuel. By January 1, 1989, they shall make recommendations to the legislature concerning requirements or incentives for the use of oxygenated fuel, and may*"

Page 8, line 12, delete everything after "gasoline" and insert a period

Page 8, line 13, delete "selecting the recommended fuel,"

Page 8, after line 30, insert:

"Sec. 8. [EVALUATION OF OXYGENATED FUELS.]

The pollution control agency shall evaluate the costs and benefits of including an oxygenated fuels component in the vehicle inspection program and report its findings to the legislature by January 1, 1989."

Page 9, line 18, delete "8" and insert "7"

Page 9, line 19, delete "Sections 2 and 7 are" and insert "Section 2 is"

Page 9, line 20, delete "9, 10, and 11" and insert "8, 9, and 10"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 11, after "to" insert "report"

Page 1, line 12, delete everything before "to" and after "legislature" insert "on their study of oxygenated fuels"

Page 1, line 13, delete everything after the semicolon

Page 1, line 14, delete everything before "proposing"

And when so amended the bill do pass and be re-referred to the Committee on Agriculture. Mr. Merriam questioned the reference thereon and,

under Rule 35, the bill was referred to the Committee on Rules and Administration.

SECOND READING OF SENATE BILLS

S.F. Nos. 1763, 1741, 1613, 1859, 1817, 2210, 2102, 2177, 2046, 1820, 1582, 1652, 1744, 1761, 1835, 1868, 994, 1304, 1861, 2376, 2133, 1672, 2033, 1795, 2357, 2352 and 1739 were read the second time.

MOTIONS AND RESOLUTIONS

Mrs. Lantry moved that the name of Mr. Ramstad be added as a co-author to S.F. No. 994. The motion prevailed.

Mr. Dicklich moved that the name of Mr. Marty be added as a co-author to S.F. No. 1669. The motion prevailed.

Ms. Peterson, D.C. moved that the name of Mr. Marty be added as a co-author to S.F. No. 1695. The motion prevailed.

Mr. Chmielewski moved that the name of Mr. Marty be added as a co-author to S.F. No. 1719. The motion prevailed.

Mr. Spear moved that the name of Mr. Marty be added as a co-author to S.F. No. 1832. The motion prevailed.

Ms. Peterson, D.C. moved that the name of Mr. Hughes be added as a co-author to S.F. No. 1978. The motion prevailed.

Mr. Marty moved that the name of Mr. Hughes be added as a co-author to S.F. No. 2021. The motion prevailed.

Mr. Peterson, R.W. moved that the name of Mr. Hughes be added as a co-author to S.F. No. 2024. The motion prevailed.

Mr. DeCramer moved that the names of Ms. Reichgott; Peterson, D.C. and Olson be added as co-authors to S.F. No. 2281. The motion prevailed.

Mr. Peterson, R.W. moved that the name of Mr. Hughes be added as a co-author to S.F. No. 2342. The motion prevailed.

Mr. Diessner moved that S.F. No. 2027 be withdrawn from the Committee on Employment and returned to its author. The motion prevailed.

Mr. Diessner moved that S.F. No. 2028 be withdrawn from the Committee on Employment and returned to its author. The motion prevailed.

Mr. Diessner moved that S.F. No. 2030 be withdrawn from the Committee on Employment and returned to its author. The motion prevailed.

Mr. Diessner moved that S.F. No. 2031 be withdrawn from the Committee on Employment and returned to its author. The motion prevailed.

Mr. Diessner moved that S.F. No. 2032 be withdrawn from the Committee on Employment and returned to its author. The motion prevailed.

Mr. Wegscheid introduced—

Senate Resolution No. 117: A Senate resolution congratulating Gerald E. Stelzel of Farmington for receiving the Minnesota Leader of the Year Award.

Referred to the Committee on Rules and Administration.

Ms. Olson, Messrs. Merriam and Jude introduced—

Senate Resolution No. 118: A Senate resolution congratulating the city of Plymouth for its recycling efforts.

Referred to the Committee on Rules and Administration.

Messrs. Lessard; Moe, R.D.; Merriam; Larson and Taylor introduced—

Senate Concurrent Resolution No. 22: A Senate concurrent resolution commending Daniel Smith for winning the 1988-1989 Federal Duck Stamp competition.

Mr. Moe, R.D. moved that Senate Concurrent Resolution No. 22 be laid on the table. The motion prevailed.

Mr. Pehler moved that S.F. No. 1672, on General Orders, be stricken and re-referred to the Committee on Taxes and Tax Laws. The motion prevailed.

Mr. Moe, R.D. moved that Senate Resolution No. 115 be withdrawn from the Committee on Rules and Administration and laid on the table. The motion prevailed.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

H.F. No. 236: Ms. Peterson, D.C.; Messrs. Luther and Johnson, D.E.

S.F. No. 232: Messrs. Cohen, Laidig and Pogemiller.

H.F. No. 257: Messrs. Moe, D.M.; Wegscheid and Freeman.

S.F. No. 1575: Messrs. Berg, Merriam and Lessard.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Messrs. Cohen; Pogemiller; Peterson, R.W. and Ramstad introduced—

S.F. No. 2429: A bill for an act relating to drivers' licenses; requiring destruction of records of revocation or suspension when rescinded; amending Minnesota Statutes 1986, section 171.12, by adding a subdivision.

Referred to the Committee on Judiciary.

Messrs. Storm, Belanger and Jude introduced—

S.F. No. 2430: A bill for an act relating to metropolitan government; providing a salary for a part-time chair of the regional transit board; amending Minnesota Statutes 1987 Supplement, section 15A.081, subdivisions 1 and 7.

Referred to the Committee on Governmental Operations.

Mr. Storm introduced—

S.F. No. 2431: A bill for an act relating to appropriations; deleting the positive general fund balance allocation to the Greater Minnesota Corporation and the budget and cash flow reserve; amending Minnesota Statutes 1987 Supplement, section 16A.1541.

Referred to the Committee on Finance.

Mr. Storm introduced—

S.F. No. 2432: A bill for an act relating to utilities; requiring an electric utility to compensate property owners for the loss of large trees due to construction of a high voltage transmission line; amending Minnesota Statutes 1986, section 116C.63, by adding a subdivision.

Referred to the Committee on Public Utilities and Energy.

Mr. Storm introduced—

S.F. No. 2433: A bill for an act relating to utilities; amending the definition of "high voltage transmission line"; amending Minnesota Statutes 1986, section 116C.52, subdivision 3.

Referred to the Committee on Public Utilities and Energy.

Mr. Laidig introduced—

S.F. No. 2434: A bill for an act relating to obscenity; providing civil and equitable remedies against owners of businesses in which obscene materials or performances are sold or exhibited; proposing coding for new law in Minnesota Statutes, chapter 617.

Referred to the Committee on Judiciary.

Mr. Laidig introduced—

S.F. No. 2435: A bill for an act relating to taxation; property tax refunds; restoring the full amount for 1986 claims plus ten percent; removing the appropriation limit for 1987 claims; appropriating money; repealing Laws 1987, chapter 268, article 3, section 12.

Referred to the Committee on Taxes and Tax Laws.

Mr. Laidig introduced—

S.F. No. 2436: A bill for an act relating to environmental protection; prohibiting the location of mixed municipal solid waste disposal facilities in metropolitan regional parks; amending Minnesota Statutes 1986, section 473.803, subdivision 1a.

Referred to the Committee on Environment and Natural Resources.

Messrs. Pehler, Stumpf, Spear and Laidig introduced—

S.F. No. 2437: A bill for an act relating to education; appropriating money to the Minnesota Hispanic Education Program, Inc.

Referred to the Committee on Education.

Mr. Ramstad and Ms. Olson introduced—

S.F. No. 2438: A bill for an act relating to retirement; excluding volunteer firefighters in the city of Minnetonka from membership in the public employees retirement association and police and fire fund.

Referred to the Committee on Governmental Operations.

Mr. Bertram introduced—

S.F. No. 2439: A bill for an act relating to veterans; requiring cities and towns to fly the POW-MIA flag; proposing coding for new law in Minnesota Statutes, chapter 471.

Referred to the Committee on Veterans.

Mr. Bertram introduced—

S.F. No. 2440: A bill for an act relating to education; requiring time for the patriotic observance of Memorial Day in the schools; amending Minnesota Statutes 1986, section 126.13.

Referred to the Committee on Education.

Mr. DeCramer introduced—

S.F. No. 2441: A bill for an act relating to education; allowing three districts to form an education district upon state board approval; amending Minnesota Statutes 1987 Supplement, section 122.91, subdivision 3.

Referred to the Committee on Education.

Mr. Cohen introduced—

S.F. No. 2442: A bill for an act relating to retirement; authorizing payment of survivor benefits to the divorced former spouse of a certain member of the public employees retirement association.

Referred to the Committee on Governmental Operations.

Mr. Merriam introduced—

S.F. No. 2443: A bill for an act relating to housing; providing the right of first refusal to manufactured home park residents; proposing coding for new law in Minnesota Statutes, chapter 327C.

Referred to the Committee on Economic Development and Housing.

Mr. Merriam introduced—

S.F. No. 2444: A bill for an act relating to game and fish; allowing possession and use of landing nets and landing nets discharging electric current; proposing coding for new law in Minnesota Statutes, chapter 97C.

Referred to the Committee on Environment and Natural Resources.

Mr. Peterson, R.W. introduced—

S.F. No. 2445: A bill for an act relating to lake improvement districts; providing for notice of their annual meetings; amending Minnesota Statutes 1986, section 378.545, subdivision 2.

Referred to the Committee on Environment and Natural Resources.

Messrs. Brandl; Davis; Moe, D.M.; Johnson, D.J. and Wegscheid introduced—

S.F. No. 2446: A bill for an act relating to taxation; imposing membership requirements on private golf clubs qualifying for taxation under the open space property tax law; amending Minnesota Statutes 1986, section 273.112, subdivisions 3 and 6.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Davis, Morse and Merriam introduced—

S.F. No. 2447: A bill for an act relating to agriculture; establishing an industrial by-product soil buffering materials demonstration project and study; appropriating money.

Referred to the Committee on Agriculture.

Mr. Benson introduced—

S.F. No. 2448: A bill for an act relating to retirement; Fillmore county; authorizing service credit in the public employees retirement association based on certain omitted deductions and contributions.

Referred to the Committee on Governmental Operations.

Mr. Waldorf introduced—

S.F. No. 2449: A bill for an act relating to retirement; requiring a majority vote of all members of the St. Paul police and fire department relief associations on consolidation with the public employees retirement association; amending Minnesota Statutes 1987 Supplement, section 353A.02, subdivision 17.

Referred to the Committee on Governmental Operations.

Mr. Belanger introduced—

S.F. No. 2450: A bill for an act relating to health; creating an exception to the nursing home moratorium; amending Minnesota Statutes 1987 Supplement, section 144A.071, subdivision 3.

Referred to the Committee on Health and Human Services.

Mr. Luther introduced—

S.F. No. 2451: A bill for an act relating to claims against the state; clarifying that a public defender appointed by the state board of public defense is an employee of the state; amending Minnesota Statutes 1987 Supplement, section 3.732, subdivision 1.

Referred to the Committee on Judiciary.

Mr. Metzen introduced—

S.F. No. 2452: A bill for an act relating to public safety; providing that bomb disposal workers are state employees when disposing of bombs outside the jurisdiction of their municipal employer, for purposes of tort claims and workers' compensation; amending Minnesota Statutes 1987 Supplement, section 3.732, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 176.

Referred to the Committee on Governmental Operations.

Mr. DeCramer introduced—

S.F. No. 2453: A bill for an act relating to charitable gambling; licensing lessors of gambling devices; authorizing and regulating the use of video pull-tab devices at certain locations; regulating wholesalers and distributors of these devices; providing a tax; amending Minnesota Statutes 1986, sections 349.12, by adding a subdivision; 349.161, subdivisions 1 and 2; 349.162, subdivision 2; 349.163, subdivisions 1, 3, and by adding subdivisions; 349.211, subdivision 2a; 349.212, by adding a subdivision; 349.2121, subdivision 1; and 349.30, subdivision 2; Minnesota Statutes 1987 Supplement, sections 349.12, subdivision 15; 349.161, subdivisions 3 and 5; 349.212, subdivision 4; 349.2121, subdivision 4a and 10; and 349.2122; proposing coding for new law in Minnesota Statutes, chapter 349.

Referred to the Committee on General Legislation and Public Gaming.

Messrs. Lessard, Pogemiller, Bertram and Gustafson introduced—

S.F. No. 2454: A bill for an act relating to taxation; property; classifying utility property as commercial-industrial; classifying certain personal property; amending Minnesota Statutes 1986, section 273.13, by adding a subdivision; and Minnesota Statutes 1987 Supplement, section 273.13, subdivision 24.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Mehrkens, Vickerman, Diessner, Laidig and Bertram introduced—

S.F. No. 2455: A bill for an act relating to motor vehicles; providing for special license plates; proposing coding for new law in Minnesota Statutes, chapter 168.

Referred to the Committee on Transportation.

Messrs. Solon, Samuelson, Frank, Marty and Kroening introduced—

S.F. No. 2456: A bill for an act relating to energy; creating a legislative advisory task force on energy policies for low-income persons and providing for the duties of the task force.

Referred to the Committee on Public Utilities and Energy.

Messrs. Wegscheid, Pogemiller, Jude and Renneke introduced—

S.F. No. 2457: A bill for an act relating to public employment; state troopers; limiting the ratio of supervisors to troopers; amending Minnesota Statutes 1986, section 299D.03, subdivision 2.

Referred to the Committee on Governmental Operations.

Mr. Benson introduced—

S.F. No. 2458: A bill for an act relating to claims against the state; appropriating funds for the payment of certain claims.

Referred to the Committee on Finance.

Mr. Davis introduced—

S.F. No. 2459: A bill for an act relating to education; authorizing the sale of bonds for the maximum effort school loan fund; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 124.

Referred to the Committee on Education.

Messrs. Solon and Gustafson introduced—

S.F. No. 2460: A bill for an act relating to education; appropriating money for an optical fiber telecommunications system and related interconnections.

Referred to the Committee on Education.

Messrs. Beckman, DeCramer, Vickerman and Frank introduced—

S.F. No. 2461: A bill for an act relating to retirement benefits for volunteer firefighters; providing a state paid supplemental benefit; proposing coding for new law in Minnesota Statutes, chapter 424A.

Referred to the Committee on Governmental Operations.

Mr. Dicklich introduced—

S.F. No. 2462: A bill for an act relating to retirement; teachers retirement association; authorizing certain refund repayments; amending Minnesota Statutes 1986, section 354.50, by adding a subdivision.

Referred to the Committee on Governmental Operations.

Ms. Berglin introduced—

S.F. No. 2463: A bill for an act relating to human services; clarifying the administration of human services programs; establishing a compliance system for certain public assistance programs; establishing a public assistance incentive fund; appropriating money; amending Minnesota Statutes

1986, sections 256.72; 256.81; 256.82, subdivision 1; 256.871, subdivision 6; 256.935, subdivision 1; 256.991; 256B.041, subdivisions 5 and 7; 256B.05, subdivision 1; 256B.19, subdivision 2; 256D.03, subdivision 6; 256D.04; 256D.36, subdivision 1; and 393.07, subdivision 2; Minnesota Statutes 1987 Supplement, sections 256.01, subdivision 2; 256B.091, subdivision 8; 256B.19, subdivision 1; 256D.03, subdivision 2; 393.07, subdivision 10; proposing coding for new law in Minnesota Statutes, chapter 256; repealing Minnesota Statutes 1987 Supplement, sections 245.775; and 256D.22.

Referred to the Committee on Health and Human Services.

Mr. Lessard introduced—

S.F. No. 2464: A bill for an act relating to game and fish; authorizing possession of handguns while hunting bear by archery; amending Minnesota Statutes 1986, section 97B.211, subdivision 1.

Referred to the Committee on Environment and Natural Resources.

Messrs. Luther; Johnson, D.J.; Pehler; Moe, R.D. and Novak introduced—

S.F. No. 2465: A bill for an act relating to state agencies; amending the authority of the Minnesota amateur sports commission; correcting references; exempting rulemaking from chapter 14; authorizing the commission to establish nonprofit corporations and charitable foundations; amending Minnesota Statutes 1987 Supplement, sections 16A.661, subdivision 3; 240A.02, subdivision 2; 240A.03, subdivisions 10, 12, and by adding a subdivision; and 297A.44, subdivision 1; and Laws 1987, chapter 400, section 13.

Referred to the Committee on Governmental Operations.

Ms. Berglin introduced—

S.F. No. 2466: A bill for an act relating to human services; establishing a demonstration project for child and adolescent crisis intervention and suicide prevention; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 245.

Referred to the Committee on Health and Human Services.

Mr. Moe, D.M. introduced—

S.F. No. 2467: A bill for an act relating to state government; removing the expiration date of the governor's residence council and making the council permanent; amending Minnesota Statutes 1986, section 16B.27, subdivision 3.

Referred to the Committee on Governmental Operations.

Ms. Berglin introduced—

S.F. No. 2468: A bill for an act relating to consumer protection; regulating lay away sales to consumers; proposing coding for new law in Minnesota Statutes, chapter 325F.

Referred to the Committee on Commerce.

Messrs. Berg, Bernhagen and Lessard introduced—

S.F. No. 2469: A bill for an act relating to natural resources; correcting certain provisions for net size for the taking of ciscoes; amending Minnesota Statutes 1986, section 97C.805, subdivision 2.

Referred to the Committee on Environment and Natural Resources.

Mr. Wegscheid introduced—

S.F. No. 2470: A bill for an act relating to securities; exempting certain over-the-counter securities from registration requirements; amending Minnesota Statutes 1987 Supplement, section 80A.15, subdivision 1.

Referred to the Committee on Commerce.

Mr. Belanger introduced—

S.F. No. 2471: A bill for an act relating to intoxicating liquor; authorizing the city of Bloomington to issue an on-sale intoxicating liquor license to Midsummer, A Festival of Music.

Referred to the Committee on Commerce.

Mr. Diessner introduced—

S.F. No. 2472: A bill for an act relating to crimes; increasing the penalties for issuing dishonored checks with aggregate value greater than \$200; amending Minnesota Statutes 1986, section 609.535, subdivision 2, and by adding a subdivision.

Referred to the Committee on Judiciary.

Mr. Chmielewski introduced—

S.F. No. 2473: A bill for an act relating to workers' compensation; regulating self-insurance; establishing a self-insurer guaranty fund; proposing coding for new law as Minnesota Statutes, chapter 176C.

Referred to the Committee on Employment.

Mr. Wegscheid introduced—

S.F. No. 2474: A bill for an act relating to insurance; single premium annuity contracts; regulating the issuance to, and approval by, volunteer firefighters relief associations; amending Minnesota Statutes 1986, section 424A.02, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 60A.

Referred to the Committee on Governmental Operations.

Messrs. Ramstad; Larson; Johnson, D.E.; Benson and Gustafson introduced—

S.F. No. 2475: A bill for an act relating to workers' compensation; regulating workers' compensation benefits and administration; regulating workers' compensation insurance; requiring certain reports relating to workers' compensation; amending Minnesota Statutes 1986, sections 79.251, subdivisions 2, 3, 4, and 5; 79.252, subdivision 1; 176.011, subdivisions 3 and

18, and by adding a subdivision; 176.021, subdivision 3; 176.061, subdivision 10; 176.101, subdivisions 1, 2, 4, and 5, and by adding a subdivision; 176.102, subdivisions 1, 7, and 11; 176.105, subdivision 1; 176.111, subdivisions 6, 7, 8, 12, 14, and 20; 176.131, subdivisions 1a, 2, 3, 4, and 5, and by adding a subdivision; 176.132, subdivisions 1 and 2; 176.645, subdivision 2; 176.66, subdivision 11; 480A.06, subdivision 4; Minnesota Statutes 1987 Supplement, sections 176.102, subdivisions 3, 3a, and 4; 176.111, subdivisions 15 and 21; 176.131, subdivisions 1 and 8; proposing coding for new law in Minnesota Statutes, chapter 176; repealing Minnesota Statutes 1986, sections 175A.01; 175A.02; 175A.03; 175A.04; 175A.05; 175A.06; 175A.07, subdivisions 1, 3, and 4; 175A.08; 175A.09; 175A.10; 176.011, subdivision 26; and 176.101, subdivisions 3a to 3u and 6; Minnesota Statutes 1987 Supplement, section 175A.07, subdivision 2.

Referred to the Committee on Employment.

Without objection, the Senate reverted to the Order of Business of Motions and Resolutions.

MOTIONS AND RESOLUTIONS

Mr. Moe, R.D. moved that S.F. No. 2345 be withdrawn from the Committee on Finance and re-referred to the Committee on Economic Development and Housing. The motion prevailed.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Thursday, March 10, 1988. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

SIXTY-SEVENTH DAY

St. Paul, Minnesota, Thursday, March 10, 1988

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

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rev. John Vawter.

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

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

The President declared a quorum present.

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

MEMBERS EXCUSED

Mr. Davis was excused from the Session of today.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 1743, 1926, 1941, 2008, 1784, 2055 and 2265.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 9, 1988

FIRST READING OF HOUSE BILLS

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

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

Referred to the Committee on Governmental Operations.

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

Referred to the Committee on Local and Urban Government.

H.F. No. 1941: A bill for an act relating to charitable gambling; increasing the time period allowed for cities and counties to review license applications; amending Minnesota Statutes 1986, section 349.213, subdivision 2.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1764, now on General Orders.

H.F. No. 2008: A bill for an act relating to elections; clarifying certain public campaign financing limits; amending Minnesota Statutes 1986, section 10A.25, subdivision 10; Minnesota Statutes 1987 Supplement, sections 10A.255, subdivision 1; 10A.32, subdivision 3; repealing Minnesota Statutes 1986, section 10A.32, subdivision 3b.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1780, now on General Orders.

H.F. No. 1784: A bill for an act relating to nurse-midwives; allowing a certified nurse-midwife to prescribe and administer drugs and therapeutic devices; allowing an appropriately certified and licensed health care professional to prescribe legend drugs and controlled substances; amending Minnesota Statutes 1986, sections 148.171; 151.37, subdivision 2; and 152.12, subdivision 1.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1663, now on General Orders.

H.F. No. 2055: A bill for an act relating to education; making changes in the budget law relating to special school district No. 1, Minneapolis; amending Laws 1959, chapter 462, section 3, subdivision 4, as amended.

Referred to the Committee on Education.

H.F. No. 2265: A bill for an act relating to natural resources; correcting certain provisions for net size for the taking of ciscoes; amending Minnesota Statutes 1986, section 97C.805, subdivision 2.

Referred to the Committee on Environment and Natural Resources.

REPORTS OF COMMITTEES

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

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 1700: A bill for an act relating to metropolitan government; scheduling the payment of certain watershed improvement costs; amending Minnesota Statutes 1986, section 473.883, subdivisions 2 and 4.

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

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 2213: A bill for an act relating to state lands; authorizing sale of certain tax-forfeited lands that border public water in East Grand Forks, Polk county.

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

Mr. Lessard from the Committee on Environment and Natural Resources, to which was re-referred

S.F. No. 1823: A bill for an act relating to water; amending the Minnesota watershed act by adding reasons for termination of a watershed district; amending Minnesota Statutes 1987 Supplement, section 112.411, subdivision 4.

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

Mr. Pehler from the Committee on Education, to which was referred

S.F. No. 1695: A bill for an act relating to education; providing for aversive and deprivation procedures; requiring rules; amending Minnesota Statutes 1987 Supplement, section 626.556, subdivision 2; proposing coding for new law as Minnesota Statutes, chapter 127.

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

Delete everything after the enacting clause and insert:

“Section 1. [127.43] [DEFINITIONS.]

Subdivision 1. [APPLICATION.] For the purposes of sections 1 and 2, the following terms have the meanings given them.

Subd. 2. [AVERSIVE PROCEDURE.] “Aversive procedure” means the planned application of an aversive stimulus.

Subd. 3. [AVERSIVE STIMULUS.] “Aversive stimulus” means an object that is used, or an event or situation that occurs immediately after a specified behavior in order to suppress that behavior.

Subd. 4. [DEPRIVATION PROCEDURE.] “Deprivation procedure” means the planned delay or withdrawal of goods, services, or activities that the person would otherwise receive.

Subd. 5. [EMERGENCY.] “Emergency” means a situation in which immediate intervention is necessary to protect a pupil or other individual

from physical injury or to prevent property damage.

Sec. 2. [127.44] [AVERSIVE AND DEPRIVATION PROCEDURES.]

Subdivision 1. [PROHIBITION AND EXCEPTIONS.] A school district may not allow the use of an aversive or deprivation procedure for a handicapped child, as defined in section 120.03, unless:

- (1) the procedure is part of the child's individual education plan; or*
- (2) in an emergency.*

Subd. 2. [ADOPTION OF RULES.] The state board of education shall adopt rules governing the use of aversive and deprivation procedures by school district employees or persons under contract with a school district. The rules must:

- (1) promote the use of positive approaches and must not encourage or require the use of aversive or deprivation procedures;*
- (2) require that planned application of aversive and deprivation procedures be a part of an individual education plan;*
- (3) require parents or guardians to be notified after the use of aversive or deprivation procedures in an emergency; and*
- (4) establish health and safety standards for the use of time-out procedures that require a safe environment, continuous monitoring of the child, ventilation, and adequate space."*

Delete the title and insert:

"A bill for an act relating to education; prohibiting aversive and deprivation procedures for handicapped children with certain exceptions; requiring the state board of education to adopt rules; proposing coding for new law in Minnesota Statutes, chapter 127."

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

Mr. Pehler from the Committee on Education, to which was referred

S.F. No. 2093: A bill for an act relating to education; eliminating the cap on the state university system student health service fee; amending Minnesota Statutes 1986, section 136.11, subdivision 7.

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

Mr. Pehler from the Committee on Education, to which was referred

S.F. No. 2195: A bill for an act relating to education; making technical corrections to the cooperative secondary facilities grant act; amending Minnesota Statutes 1987 Supplement, section 124.494, subdivisions 5 and 6.

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

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

S.F. No. 974: A resolution memorializing the President, Congress, and the Federal Aviation Administration to accelerate the modernization of

commercial aircraft fleets operating in and to the United States by requiring the use of quieter, Stage 3 aircraft.

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

Page 1, line 26, delete "80" and insert "70"

Page 3, line 3, delete "1988" and insert "1989"

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

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 1800: A bill for an act relating to commerce; securities; changing certain disclosure requirements relating to charitable solicitations; amending Minnesota Statutes 1987 Supplement, section 309.556, subdivision 1, and by adding a subdivision; repealing Minnesota Statutes 1987 Supplement, section 309.556, subdivision 2.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1987 Supplement, section 309.556, is amended by adding a subdivision to read:

Subd. 3. [EXEMPTION.] This section does not apply if the solicitation is on behalf of an educational foundation organized and operated exclusively for the educational purposes of an educational institution exempt from registration under section 309.515."

Delete the title and insert:

"A bill for an act relating to commerce; exempting certain educational foundations from public disclosure requirements; amending Minnesota Statutes 1987 Supplement, section 309.556, by adding a subdivision."

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

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 1802: A bill for an act relating to insurance; regulating the Minnesota Insurance Guaranty Association; excluding investment risks insurance from coverage; modifying the definitions of "resident" and "covered claim"; regulating claims; preventing insolvencies; making certain technical changes; amending Minnesota Statutes 1986, sections 60C.02, subdivision 1; 60C.03, subdivisions 2, 7, and by adding a subdivision; 60C.05, subdivision 1; 60C.13, subdivision 2; and 60C.15; Minnesota Statutes 1987 Supplement, section 60C.09; repealing Minnesota Statutes 1986, section 60C.18.

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

Page 1, lines 21 to 23, delete the new language

Page 2, line 4, strike "or"

Page 2, line 7, before the period, insert "; or

(c) A person whose principal place of business is in Wisconsin, Iowa, North Dakota or South Dakota, but who maintains substantial business in Minnesota"

Page 5, delete lines 4 and 5

Page 5, line 6, delete everything before "and"

Page 5, line 7, delete "3" and insert "2"

Page 7, after line 24, insert:

"Sec. 9. Minnesota Statutes 1986, section 60C.18, is amended to read:
60C.18 [RECOGNITION OF ASSESSMENTS IN RATES.]

Subdivision 1. The rates and premiums charged for insurance policies and fidelity and surety bonds to which this chapter applies may must include amounts sufficient to recoup a sum equal to the amounts paid to the association by the member insurer less any amounts returned to the member insurer by the association. The rates shall not be deemed excessive because they contain an amount reasonably calculated to recoup assessments paid by the member insurer.

Subd. 2. Beginning with assessments payable by member insurers in 1988, each member insurer must separately state on either a billing notice or policy declaration sent to an insured, the percentage, dollar amount, or both, of the amount contained in the premium to recoup assessments paid by the member insurer in Minnesota."

Page 7, delete section 10 and insert:

"Sec. 11. [REPEALER.]

Minnesota Statutes 1987 Supplement, section 60C.06, subdivision 5, is repealed."

Page 7, line 33, delete "2" and insert "1"

Page 7, line 36, delete everything after "insolvency" and insert a period

Page 8, delete lines 1 to 4

Page 8, line 5, delete "(c)" and insert "(b)" and delete "and 10" and insert "to 11"

Amend the title as follows:

Page 1, line 10, delete "and"

Page 1, line 11, after the semicolon, insert "and 60C.18;"

Page 1, line 12, delete "1986" and insert "1987 Supplement"

Page 1, line 13, delete "60C.18" and insert "60C.06, subdivision 5"

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

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 2143: A bill for an act relating to insurance; regulating certain medical examinations in no-fault automobile insurance cases; amending Minnesota Statutes 1986, section 65B.56, subdivision 1.

Reports the same back with the recommendation that the bill be amended

as follows:

Page 2, delete section 2

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

Mr. Pehler from the Committee on Education, to which was referred

S.F. No. 444: A bill for an act relating to education; establishing the state board of technical colleges; prescribing powers, transferring functions; requiring report; proposing coding for new law as Minnesota Statutes, chapter 136E.

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

Delete everything after the enacting clause and insert:

“Section 1. [ADVISORY TASK FORCE.]

A task force shall be established to review state governance of technical institutes, merging community colleges with technical institutes and formation of intermediate school districts throughout the state. The task force shall evaluate advantages and disadvantages of governance options and shall develop implementation procedures. The advisory task force shall be appointed by the chairs of the senate education committee, the house of representatives higher education committee, the house of representatives higher education appropriations division, and the senate higher education finance division. Members shall include: one legislator from each higher education committee and division; two representatives of the community colleges; two representatives of the technical institutes; two representatives of labor; two representatives of business; one student representative each from the community colleges and technical institutes; a member from the department of employee relations; a member of the higher education coordinating board staff; and the director of the bureau of mediation services who shall serve as chair. Staffing shall be provided by senate counsel and research and house of representatives research. The advisory task force shall report its findings and recommendations to the legislature by February 1, 1989.

Sec. 2. [APPROPRIATION.]

§ is appropriated from the general fund to the advisory task force for expenses.”

Delete the title and insert:

“A bill for an act relating to education; establishing an advisory task force to review state governance of technical institutes and merging community colleges with technical institutes; appropriating money.”

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Pehler from the Committee on Education, to which was referred

S.F. No. 1745: A bill for an act relating to education; approving a capital loan; directing the commissioner of finance to issue bonds to make the loan to independent school district No. 912, Milaca.

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

Page 1, line 10, delete "\$4,000,000" and insert "not more than \$4,790,865"

Page 1, line 20, delete the second "of"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Pehler from the Committee on Education, to which was referred

S.F. No. 1882: A bill for an act relating to education; requiring milk substitutes or alternative food items for lactose intolerant children in school milk distribution programs; proposing coding for new law in Minnesota Statutes, chapter 124.

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

Delete everything after the enacting clause and insert:

"Section 1. [124.6462] [LACTOSE REDUCED MILK.]

If a district receives school lunch aid under section 124.646 and if it receives a written request from the parent of a pupil who is lactose intolerant, the district shall make available lactose reduced milk or a lactose enzyme in liquid or tablet form with milk for the pupil. Notwithstanding any law, local ordinance, or local regulation to the contrary, a school district may pour or serve portions of any product required by this section from a large container of the product at the time and place the pupil is being served."

Delete the title and insert:

"A bill for an act relating to education; requiring school districts to make certain accommodations for lactose intolerant children, if requested; proposing coding for new law in Minnesota Statutes, chapter 124."

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

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 1842: A bill for an act relating to human services; establishing an inventory, referral, and intake system for jobs and training and income maintenance services; appropriating money; amending Minnesota Statutes 1986, section 268.86, by adding a subdivision.

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

Page 1, after line 8, insert:

"Section 1. Minnesota Statutes 1987 Supplement, section 256.01, subdivision 4, is amended to read:

Subd. 4. [DUTIES AS STATE AGENCY.] The state agency shall:

(1) supervise the administration of assistance to dependent children under Laws 1937, chapter 438, by the county agencies in an integrated program

with other service for dependent children maintained under the direction of the state agency;

(2) may subpoena witnesses and administer oaths, make rules, and take such action as may be necessary, or desirable for carrying out the provisions of Laws 1937, chapter 438. All rules made by the state agency shall be binding on the counties and shall be complied with by the respective county agencies;

(3) establish adequate standards for personnel employed by the counties and the state agency in the administration of Laws 1937, chapter 438, and make the necessary rules to maintain such standards;

(4) prescribe the form of and print and supply to the county agencies blanks for applications, reports, affidavits, and such other forms as it may deem necessary and advisable;

(5) cooperate with the federal government and its public welfare agencies in any reasonable manner as may be necessary to qualify for federal aid for aid to dependent children and in conformity with the provisions of Laws 1937, chapter 438, including the making of such reports and such forms and containing such information as the Federal Social Security Board may from time to time require, and comply with such provisions as such board may from time to time find necessary to assure the correctness and verification of such reports; and

(6) may cooperate with other state agencies in establishing reciprocal agreements in instances where a child receiving aid to dependent children moves or contemplates moving into or out of the state, in order that such child may continue to receive supervised aid from the state moved from until the child shall have resided for one year in the state moved to; and

(7) on or before October 1 in each even-numbered year make a biennial report to the governor concerning the activities of the agency; and

~~(8) design, develop, and administer an intake, referral, and inventory system that provides localized, single-point intake with a direct access to a statewide data base to match client needs with employment opportunities and public and private services. The system must include information on all available public and private programs for employment and training services and income maintenance and support services as defined in section 268.0111. The state agency shall cooperate with the department of jobs and training, counties and other local service units, service providers, and clients in the development and operation of the system. The system is not subject to sections 16B.40 to 16B.45; and~~

~~(9) enter into agreements with other departments of the state as necessary to meet all requirements of the federal government."~~

Renumber the sections in sequence

Delete the title and insert:

"A bill for an act relating to information management; providing for an inventory, referral, and intake system for jobs and training and income maintenance services; appropriating money; amending Minnesota Statutes 1986, section 268.86, by adding a subdivision; and Minnesota Statutes 1987 Supplement, section 256.01, subdivision 4."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

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

S.F. No. 1876: A bill for an act relating to transportation; providing for application of rules; providing for agreements with other states to administer special permits for vehicles exceeding weight and length restrictions; exempting limousines from motor carrier regulation; clarifying the filing of petitions for operating certificates and permits, carrying of cab cards, and requirements for private carriers; establishing insurance requirements; providing that investigative data on violations under chapter 221 may be given to transportation regulation board; amending Minnesota Statutes 1986, sections 169.86, by adding a subdivision; 221.025; 221.031, subdivisions 1, 2, 2a, and 3; 221.081; 221.121, subdivisions 1 and 5; 221.141, subdivision 1; 221.151, subdivision 1; 221.172, subdivision 2; 221.185, subdivision 9; 221.291, subdivisions 1 and 2; 221.296, subdivisions 4 and 8; and 221.81, subdivision 3a; Minnesota Statutes 1987 Supplement, sections 221.031, subdivision 7; 221.061; 221.291, subdivision 3; and 221.296, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 169 and 221; repealing Minnesota Statutes 1986, section 13.72, subdivision 3.

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

Page 1, line 31, after "that" insert "*motor carrier safety*"

Page 4, line 10, delete "six" and insert "12"

Page 7, line 12, delete ", notwithstanding chapter 13"

Page 7, lines 13 and 14, delete "is" and insert "are"

Page 18, line 26, before the period, insert "*, and with the rules of the commissioner concerning inspections, vehicle and driver out-of-service restrictions and requirements, and vehicle, driver, and equipment checklists*"

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

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 1681: A bill for an act relating to insurance; accident and health; exempting child health supervision services and prenatal care services from any requirement of coinsurance or dollar limitation; proposing coding for new law in Minnesota Statutes, chapter 62A.

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

Delete everything after the enacting clause and insert:

"Section 1. [62A.047] [CHILDREN'S HEALTH SERVICES.]

No policy of individual or group health and accident insurance regulated under this chapter, or individual or group subscriber contract regulated under chapter 62C, shall be issued, renewed, continued, delivered, issued for delivery, or executed in this state, or approved for issuance or renewal in this state by the commissioner of commerce unless the policy or contract specifically exempts reasonable and customary charges for child health supervision services and perinatal care services from a deductible, copayment, or other coinsurance or dollar limitation requirement. Minimum benefits may be limited to one visit payable to one provider for all of the

services provided at each visit cited in this section subject to the schedule set forth in this section. Nothing in this section shall apply to a commercial health insurance policy issued as a companion to a health maintenance organization contract.

“Child health supervision services” means pediatric preventive services, appropriate immunizations, developmental assessments, and laboratory services appropriate to the age of a child from birth to age six. Reimbursement must be made for at least five child health supervision visits from birth to 12 months, three child health supervision visits from 12 months to 24 months, once a year from three years old to six years old.

“Perinatal care services” means the comprehensive package of medical and psychosocial support provided throughout the pregnancy, labor, delivery, and postpartum period including risk assessment, serial surveillance, prenatal education, use of specialized skills and technology, when needed, observation of the mother and infant, preparation for discharge, and follow-up during the postpartum period.”

Amend the title as follows:

Page 1, line 3, delete “prenatal” and insert “perinatal”

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

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 2300: A bill for an act relating to commerce; regulating preparation of certain financial information for membership camping contract applications and subdivider qualification statements; repealing an exception to the exemption of subdivided lands within a city; prohibiting advance payments relating to resale of time share property interests; providing for hearing on misleading or deceptive sales practices relating to subdivisions; amending Minnesota Statutes 1986, sections 82A.04, subdivision 2; 83.26, subdivision 2; and 83.44; Minnesota Statutes 1987 Supplement, sections 83.23, subdivision 3; and 83.45.

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

Page 5, line 7, after “the” insert “membership”

Page 7, line 7, strike “83.42, 83.43 and”

Page 10, line 26, delete “On receipt”

Page 10, delete lines 27 to 32 and insert “The hearing shall be a contested case conducted in accordance with chapter 14, except that the commissioner shall render a decision and final order within 20 days of receipt of the final administrative law judge report.”

Sec. 6. [EFFECTIVE DATE.]

This act is effective the day following final enactment.”

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

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 2288: A bill for an act relating to commerce; regulating sales and repair of hearing aids; amending Minnesota Statutes 1986, section 145.43, subdivision 1a, and by adding a subdivision; Minnesota Statutes 1987 Supplement, section 145.43, subdivision 4.

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

Page 2, line 21, before "hearing" insert "entire"

Page 2, line 25, after "for" insert "the entire hearing aid for"

Page 2, line 28, reinstate the stricken period

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

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 1956: A bill for an act relating to financial institutions; savings and loan associations; defining terms; adding clarifying language; regulating incorporations; regulating mutual to stock conversions; providing for corporate governance of capital stock associations; regulating the powers of saving associations; regulating deposit accounts; regulating investments; regulating terms and conditions of loans, contracts, and extensions of credit; providing state-chartered savings associations the same rights and powers that may be exercised by a federal savings association doing business in Minnesota; amending Minnesota Statutes 1986, sections 51A.02; 51A.03, by adding a subdivision; 51A.041, subdivisions 1 and 4; 51A.05, subdivision 1, and by adding a subdivision; 51A.06, subdivision 3; 51A.065, subdivisions 1, 3, 4, 8, and by adding a subdivision; 51A.07; 51A.10; 51A.11, subdivision 1; 51A.12; 51A.13; 51A.15, subdivision 2; 51A.17; 51A.19, subdivisions 1, 8, and 10; 51A.21, subdivisions 1, 5, 7, 9, 14, 15, 17, 21, and by adding subdivisions; 51A.22, subdivision 2; 51A.251; 51A.261; 51A.262; 51A.28; 51A.31, subdivision 1; 51A.32; 51A.35; 51A.361; 51A.37, subdivisions 1, 2, 3, 4, and by adding subdivisions; 51A.38, subdivisions 1, 2, 3, 4, 5, 7, and 8; 51A.40; 51A.44, subdivision 1; 51A.48; 51A.50; 51A.51, subdivision 1; 51A.53; 51A.56; 118.005, subdivision 1; Minnesota Statutes 1987 Supplement, section 51A.23, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 51A; repealing Minnesota Statutes 1986, sections 51A.03, subdivision 2a; 51A.05, subdivisions 3, 4, and 5; 51A.091; 51A.11, subdivision 3; 51A.18; 51A.19, subdivisions 2 and 3; 51A.21, subdivision 6; 51A.23, subdivisions 2, 3, 4, and 5; 51A.37, subdivisions 7 and 9; 51A.38, subdivision 6; and 51A.39.

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

Page 1, after line 38, insert:

"Section 1. [48.194] [INSTALLMENT SALES CONTRACTS; LOANS.]

A person may enter into a credit sale or service contract to a state or national bank doing business in this state, and a bank may purchase and enforce the contract under the terms and conditions set forth in section 66, subdivision 2. A state bank or national bank may extend credit pursuant to the terms and conditions set forth in section 66."

Page 2, line 7, delete "that" and insert "another"

Page 2, line 9, after "their" insert "contract"

Page 3, line 6, delete "issues" and insert "provides credit by issuing"

Page 10, line 21, delete "or pursuant to" and insert "a secured or unsecured line of credit agreement, or"

Page 10, line 22, after "card" insert "line of credit"

Page 12, line 7, after "an" insert "affiliate"

Page 12, line 24, delete the new language

Page 13, lines 18 and 20, delete "302A" and insert "300"

Page 14, after line 16, insert:

"Sec. 5. Minnesota Statutes 1986, section 51A.041, by adding a subdivision to read:

Subd. 1a. [QUALIFICATIONS REQUIRED OF DIRECTORS OF STOCK ASSOCIATIONS.] Except with the written consent of the commissioner, no person shall be eligible for election or shall serve as director or officer of an association who has been adjudicated a bankrupt or convicted of a criminal offense involving dishonesty or a breach of trust. A director shall automatically cease to be a director when adjudicated a bankrupt or convicted of a criminal offense as herein provided."

Page 17, line 13, after "[OFFICES.]" insert "The association shall obtain approval from the commissioner prior to opening a branch office."

Page 17, line 16, after "may" insert ", however," and after "operate" insert "other business facilities not constituting branch offices such as"

Page 17, line 17, delete the first comma and insert "and" and delete ", and other"

Page 17, delete line 18

Page 17, line 19, delete "requirement" and insert "without providing notice under this subdivision"

Page 17, line 23, delete "to an" and strike "association"

Page 20, line 9, delete "federal association" and insert "federally-chartered institution"

Page 24, line 30, delete "302A" and insert "300"

Page 27, line 14, delete "to the" and insert "shall have those"

Page 27, line 15, delete "302A" and insert "300"

Page 30, delete section 35

Page 31, line 34, after the first comma, insert "personal representative, conservator, custodian,"

Page 31, line 36, after "act" insert ", and to receive reasonable compensation therefore"

Page 32, delete section 41

Page 39, line 4, strike everything after "(a)"

Page 39, strike lines 5 to 7

Page 39, line 8, strike everything before the stricken "or"

Page 39, line 12, strike the period

Page 39, line 13, strike "(b)"

Page 39, line 24, strike "(c)" and insert "(b)"

Page 39, line 32, strike "(d)" and insert "(c)"

Page 40, line 7, delete "(c)" and insert "(b)"

Page 40, line 15, delete "(e)" and insert "(d)"

Page 41, line 8, delete "Loans for consumer purposes." and insert "Consumer loans."

Page 41, after line 16, insert:

"Sec. 58. Minnesota Statutes 1986, section 51A.37, is amended by adding a subdivision to read:

Subd. 13. [LOAN TO ONE BORROWER LIMITS.] (a) No mutual association shall make a loan to one borrower if the sum of (1) the amount of the loan and (2) the total balances of all outstanding loans owed to the association by the borrower exceeds an amount equal to ten percent of the association's savings liability or an amount equal to the sum of the association's reserves for losses and undivided profits, whichever amount is less, except that any such loan may be made if the sum of clauses (1) and (2) does not exceed \$500,000.

(b) No stock association shall make a loan to one borrower if the sum of (1) the amount of the loan and (2) the total balances of all outstanding loans owed to the association by the borrower exceeds an amount equal to ten percent of the association's savings liability or an amount equal to the sum of the association's reserves for losses and capital and surplus, whichever amount is less, except that any such loan may be made if the sum of clauses (1) and (2) does not exceed \$500,000."

Page 45, line 31, after the period, insert "For contracts repayable in substantially equal successive monthly installments, the association may calculate the refund as the portion of the finance charge allocable to all unexpired payment periods following the date of prepayment and for the purpose of calculating the refund may assume that all payments are made on the due date."

Page 46, line 3, after "credit" insert "but excluding open-end credit pursuant to a credit card"

Page 46, line 5, after the period, insert "With respect to open-end credit pursuant to a credit card, an association may contract for and receive a finance charge at an annual percentage rate not exceeding 18 percent per year."

Page 46, line 7, delete "19 percent per year" and insert "the maximum annual percentage rate permitted pursuant to this section"

Page 46, line 8, delete "an" and insert "the maximum"

Page 46, line 9, delete "of 19 percent"

Page 49, line 10, after "BORROWER" insert "OR PURCHASER"

Page 49, lines 11 and 36, after "loan" insert "or contract"

Page 49, lines 12, 17, 19, and 35, after "borrower" insert " or purchaser"

Page 49, delete line 15 and insert "*borrower or purchaser. The association may add to the debt or contract balance the amounts so advanced.*"

Page 49, line 16, delete "debt."

Page 49, line 24, after "charge" insert "*equal to that specified in the loan agreement or contract*"

Page 49, line 25, delete everything after "(a)" and insert a period

Page 49, delete lines 26 to 30

Page 51, delete lines 15 to 25

Page 51, line 26, before "Except" insert "(a)"

Page 51, after line 35, insert:

"(b) This section does not apply to an insurance premium loan. An association may request cancellation of a policy of property or liability insurance only after the borrower's default or in accordance with a written authorization by the borrower. In either case, the cancellation does not take effect until written notice is delivered to the borrower or mailed to the borrower at the borrower's address as stated by the borrower. The notice must state that the policy may be canceled on a date not less than ten days after the notice is delivered, or, if the notice is mailed, not less than 13 days after it is mailed. A cancellation may not take effect until those notice periods expire."

Page 52, lines 2 and 3, delete " , to the extent applicable" and insert "*in connection with a consumer loan or credit sale for a consumer loan purpose*"

Page 52, line 6, delete "to the extent applicable"

Page 52, line 7, delete "325G.21;" and insert "325G.06 to 325G.11; 325G.15 to"

Page 52, line 8, delete "325G.35" and insert "325G.36, and the Code of Federal Regulations, title 12, part 535"

Page 52, after line 8, insert:

"(c) An assignment of a consumer's earnings by the consumer to an association as payment or as security for payment of a debt arising out of a consumer loan or consumer credit sale is unenforceable by the association and revocable by the consumer."

Page 52, line 11, delete "and" and after "8" insert " , 9, 10, and 11"

Page 55, line 31, delete "and" and insert "22, 23," and after "27" insert " , and 28"

Page 55, line 32, delete "51A.32,"

Page 55, line 33, delete "subdivision 2;"

Page 56, line 8, reinstate the stricken language

Page 56, line 9, reinstate the stricken "and loan" and delete "Any"

Page 56, line 10, delete "existing"

Page 56, line 11, delete "as of March 1, 1988,"

Page 56, line 12, reinstate the stricken language

Page 56, line 13, reinstate the stricken "its agencies, as amended,"

Page 56, line 16, delete everything after "law"

Page 56, lines 17 to 21, delete the new language

Page 57, line 8, delete "*subdivision 6*" and insert "*subdivisions 6 and 19*"

Page 57, line 12, delete "74" and insert "75"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 15, after "4" insert ", and by adding a subdivision"

Page 1, line 21, delete "51A.22,"

Page 1, line 22, delete "subdivision 2;"

Page 1, line 30, delete "chapter" and insert "chapters 48 and"

Page 1, line 34, delete "subdivision 6" and insert "*subdivisions 6 and 19*"

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

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 1427: A bill for an act relating to natural resources; providing for surface water regulation on Twin Lakes in the city of Robbinsdale.

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

Delete everything after the enacting clause and insert:

"Section 1. [SOUTH TWIN LAKE.]

The south water basin of Twin Lake in Hennepin county, lying east of state trunk highway No. 100, that is located entirely within the city of Robbinsdale is a separate water basin and lake to be known as South Twin Lake. South Twin Lake shall be given a separate public waters inventory number."

Delete the title and insert:

"A bill for an act relating to natural resources; designating a basin of Twin Lake within the city of Robbinsdale as a separate basin, South Twin Lake."

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

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 1947: A bill for an act relating to state lands; authorizing private sale of tax-forfeited land in St. Louis county.

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

Delete everything after the enacting clause and insert:

“Section 1. [SALE OF TAX-FORFEITED LAND; ST. LOUIS COUNTY.]

Notwithstanding the public sale requirements of Minnesota Statutes, section 282.01, St. Louis county may sell tax-forfeited land described in this section to Melvin H. Mikkola of 1113 E. 15th Avenue, Hibbing, Minnesota.

The land described in this section may be sold by private sale for a consideration not less than its appraised value and in accordance with the applicable provisions of Minnesota Statutes, chapter 282.

The conveyance must be in a form approved by the attorney general.

The land is located in St. Louis county and is described as: the South 66.00 feet of Government Lot 1, Section 5, Township 57 North, Range 19 West.

A recent survey has shown that the home of Mr. Mikkola was inadvertently built over the south boundary of Government Lot 1, which is tax-forfeited land.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment.”

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

Mr. Bertram from the Committee on Veterans, to which was referred

S.F. No. 2412: A bill for an act relating to veterans; requiring the establishment of a veterans home in Silver Bay; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 198.

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

Mr. Bertram from the Committee on Veterans, to which was referred

S.F. No. 2109: A bill for an act relating to the military; providing a state bonus for national guard service; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 192.

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

Mrs. Lantry from the Committee on General Legislation and Public Gaming, to which was referred

S.F. No. 2097: A bill for an act relating to the board of the arts; regulating distribution of funds to regional arts councils; regulating conflict of interest; amending Minnesota Statutes 1986, section 139.10.

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

Mrs. Lantry from the Committee on General Legislation and Public Gaming, to which was referred

S.F. No. 2191: A bill for an act relating to animals; modifying regulations of kennels and dealers of certain animals used for research purposes; amending Minnesota Statutes 1987 Supplement, sections 347.31, subdivision 4; and 347.37.

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

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 2323: A bill for an act relating to financial institutions; authorizing certain investments for banks; amending Minnesota Statutes 1986, sections 48.152, subdivision 10; 48.24, subdivision 5; and 48.61, by adding a subdivision.

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

Mr. Frank from the Committee on Economic Development and Housing, to which was referred

H.F. No. 1224: A bill for an act relating to local government; permitting the establishment of a joint economic development authority in Cook county; authorizing a lodging tax in certain towns.

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

Delete everything after the enacting clause and insert:

“Section 1. [COOK COUNTY AND GRAND MARAIS; JOINT ECONOMIC DEVELOPMENT AUTHORITY.]

A public body corporate and politic, to be known as the Cook county/Grand Marais joint economic development authority, is created, having all of the powers and duties of an economic development authority under Minnesota Statutes, sections 469.091 to 469.108, except as otherwise provided in this act. For the purposes of sections 1 to 6, “joint authority” means the Cook county/Grand Marais joint economic development authority. For the purposes of applying Minnesota Statutes, sections 469.091 to 469.108, to the joint authority, Cook county and Grand Marais have all of the powers and duties of a city, and the Cook county board and the Grand Marais city council have all of the powers and duties of a city council, except for bond issuance and tax levy purposes as otherwise provided in this act. The joint authority may exercise all of the powers of an economic development authority, including those contained in Minnesota Statutes, section 469.101, within or without an economic development district.

Sec. 2. [LIMITED PORT AUTHORITY POWERS.]

The joint authority may exercise the powers of a port authority under Minnesota Statutes, sections 469.058, and 469.059, subdivision 12, together with the powers and duties of Minnesota Statutes, sections 469.091 to 469.108.

Sec. 3. [AREA OF OPERATION.]

The area of operation of the joint authority shall include all of Cook county. The Grand Marais city council must approve any project as defined in Minnesota Statutes, section 469.174, subdivision 8, and any economic development district as defined in Minnesota Statutes, section 469.101, if the project or economic development district includes real property within the boundaries of Grand Marais or includes real property owned by Grand Marais.

Sec. 4. [COMMISSIONERS.]

Subdivision 1. [APPOINTMENT, TERMS, VACANCIES.] The joint authority shall consist of seven commissioners, four to be appointed by the Cook county board and three by the Grand Marais city council. Those initially appointed by the county shall serve terms of one, three, five and six years. Those initially appointed by the city shall serve terms of two, four and six years. Thereafter, commissioners shall be appointed for six-year terms, except as otherwise provided in this subdivision. Vacancies during a term shall be filled for the unexpired term, in the manner in which the original appointment was made. Cook county board members and Grand Marais city council members may serve as commissioners for terms that coincide with the terms of their respective elected offices. All commissioners must be residents of Cook county.

Subd. 2. [COMPENSATION, REIMBURSEMENT, REMOVAL.] A commissioner appointed by the Cook county board shall be compensated, reimbursed and removed for cause by the Cook county board in the manner provided in Minnesota Statutes, section 469.095. A commissioner appointed by the Grand Marais city council shall be compensated, reimbursed and removed for cause by the Grand Marais city council in the manner provided in Minnesota Statutes, section 469.095.

Sec. 5. [GENERAL OBLIGATION BONDS.]

Subdivision 1. [ISSUANCE.] The joint authority may issue general obligation bonds as provided in Minnesota Statutes, section 469.102. If the bonds are secured by a pledge of the full faith and credit of Cook county and are not secured by a pledge of the full faith and credit of the city of Grand Marais, then for the purposes of applying section 469.102 to the issuance of the bonds by the joint authority, Cook county has all the powers and duties of a city and the Cook county board has all of the powers and duties of a city council. If the bonds are secured by a pledge of the full faith and credit of the city of Grand Marais and are not secured by a pledge of the full faith and credit of Cook county, then for the purposes of applying section 469.102 to the issuance of the bonds by the joint authority, the city of Grand Marais has all of the powers and duties of a city and the Grand Marais city council has all of the powers and duties of a city council. If the bonds are secured by a pledge of the full faith and credit of the city of Grand Marais and Cook county, then for the purposes of applying section 469.102 to the issuance of the bonds by the joint authority, Cook county has all of the powers and duties of a city and the Cook county board has all of the powers and duties of a city council and the city of Grand Marais has all of the powers and duties of a city and the Grand Marais city council has all of the powers and duties of a city council. The issuance of general obligation bonds secured by a pledge of the full faith and credit of the city of Grand Marais and Cook county must be approved by a two-thirds majority of the Cook county board and must be approved by a two-thirds majority of the Grand Marais city council.

Subd. 2. [NET DEBT.] If the Cook county board and the Grand Marais city council authorize the issuance of general obligation bonds by the joint authority which are secured by the full faith and credit of the city of Grand Marais and Cook county, any restriction on net debt under chapter 475 shall be divided between the city and the county in accordance with the ratio which the total assessed valuation of the city bears to the total assessed valuation of the county including the assessed valuation of the city.

Sec. 6. [COOK COUNTY TAX LEVY.]

For the purposes of applying Minnesota Statutes, section 469.107, to the joint authority, Cook county, to the exclusion of Grand Marais, has all of the powers and duties of a city and the Cook county board, to the exclusion of the Grand Marais city council, has all of the powers and duties of a city council.

Sec. 7. [EFFECTIVE DATE.]

Sections 1 to 6 are effective the day after compliance by the governing bodies of Cook county and Grand Marais with Minnesota Statutes, section 645.021, subdivision 3."

Delete the title and insert:

"A bill for an act relating to local government; permitting the establishment of a joint economic development authority in Cook county."

And when so amended the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Amendments adopted. Report adopted.

Mr. Frank from the Committee on Economic Development and Housing, to which was referred

S.F. No. 1990: A bill for an act relating to economic development; establishing a celebrate Minnesota 1990 program; establishing a Minnesota marketplace program; authorizing certain fund transfers; appropriating money.

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

Page 4, line 11, delete "department" and insert "commissioner"

Page 4, line 23, after "strategies" insert "on a statewide basis"

Page 4, delete line 24

Page 4, line 25, delete everything before "and"

Page 4, line 26, delete "(4)" and insert "(3)"

Page 5, line 7, delete "establish" and insert "suggest to the commissioner"

Page 5, after line 8, insert:

"(6) recommend to the commissioner the criteria that should be used in selecting local service centers;

(7) provide the commissioner with a list of recommended organizations for selection as local service centers;"

Page 5, line 9, delete "(6)" and insert "(8)"

Page 5, line 10, delete "(7)" and insert "(9)"

Page 5, after line 11, insert:

"The organization may contract for the services of consultants for the Minnesota marketplace program."

Page 5, line 13, delete "*marketplace assistance*" and insert "*commissioner*"

Page 5, line 14, delete "*organization*"

Page 6, line 27, delete "*1 to 4*" and insert "*5 to 9*"

Page 6, after line 27, insert:

"Sec. 11. [APPROPRIATION.]"

Page 6, line 30, delete "*5 to 9*" and insert "*1 to 4*"

Page 6, line 32, delete "*an appropriation*" and insert "*all appropriations*"

Page 6, line 33, after "*fund*" insert "*and the general fund*"

Page 6, line 35, delete everything after "*programs*"

Page 6, line 36, delete everything before "*may*" and insert "*in Laws 1987, chapter 386,*"

Page 7, line 1, delete "*the other*" and insert "*another*"

Page 7, line 9, delete "*9*" and insert "*10*"

Page 7, line 12, delete "*and*" and after "*4*" insert "*, and 11*"

Page 7, line 13, delete "*11, and 12*" and insert "*and 13*"

Renumber the sections in sequence

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Frank from the Committee on Economic Development and Housing, to which was referred

S.F. No. 2182: A bill for an act relating to taxation; providing for payment of tax increments attributable to referendum levy increases to school districts; amending Minnesota Statutes 1987 Supplement, section 469.177, by adding a subdivision.

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

Page 2, line 12, delete "*referendums held*" and insert "*taxes levied in 1988, payable in 1989, and thereafter, as a result of a referendum held before or*"

And when so amended the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1884 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
		1884		1806	

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2083 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2083	1588				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2083 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2083 and insert the language after the enacting clause of S.F. No. 1588, the first engrossment; further, delete the title of H.F. No. 2083 and insert the title of S.F. No. 1588, the first engrossment.

And when so amended H.F. No. 2083 will be identical to S.F. No. 1588, and further recommends that H.F. No. 2083 be given its second reading and substituted for S.F. No. 1588, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1868 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1868	1581				

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2270 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2270	1994				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2270 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2270 and insert the language after the enacting clause of S.F. No. 1994, the first engrossment; further, delete the title of H.F. No. 2270 and insert the title of S.F. No. 1994, the first engrossment.

And when so amended H.F. No. 2270 will be identical to S.F. No. 1994, and further recommends that H.F. No. 2270 be given its second reading and substituted for S.F. No. 1994, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1999 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1999	1718				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1999 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1999 and insert the language after the enacting clause of S.F. No. 1718, the first engrossment; further, delete the title of H.F. No. 1999 and insert the title of S.F. No. 1718, the first engrossment.

And when so amended H.F. No. 1999 will be identical to S.F. No. 1718, and further recommends that H.F. No. 1999 be given its second reading and substituted for S.F. No. 1718, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1989 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1989	1705				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1989 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1989 and insert the language after the enacting clause of S.F. No. 1705, the first engrossment; further, delete the title of H.F. No. 1989 and insert the title of S.F. No. 1705, the first engrossment.

And when so amended H.F. No. 1989 will be identical to S.F. No. 1705, and further recommends that H.F. No. 1989 be given its second reading and substituted for S.F. No. 1705, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2020 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2020	1751				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2020 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2020 and insert the language after the enacting clause of S.F. No. 1751, the first engrossment; further, delete the title of H.F. No. 2020 and insert the title of S.F. No. 1751, the first engrossment.

And when so amended H.F. No. 2020 will be identical to S.F. No. 1751, and further recommends that H.F. No. 2020 be given its second reading and substituted for S.F. No. 1751, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2312 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2312	2162				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2312 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2312 and insert the language after the enacting clause of S.F. No. 2162, the first engrossment; further, delete the title of H.F. No. 2312 and insert the title of S.F. No. 2162, the first engrossment.

And when so amended H.F. No. 2312 will be identical to S.F. No. 2162, and further recommends that H.F. No. 2312 be given its second reading and substituted for S.F. No. 2162, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Frank from the Committee on Economic Development and Housing, to which was referred

S.F. No. 1805: A bill for an act relating to housing; providing a definition; authorizing certain refinancing; providing for reservation of low-income housing credits; amending Minnesota Statutes 1986, sections 462A.03, by adding a subdivision; 462A.05, by adding a subdivision; and 462A.07, subdivisions 14 and 15; Minnesota Statutes 1987 Supplement, section 462A.222, subdivision 2.

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

Page 1, line 15, delete "*Public Law Number 93-638,*" and insert "*United States Code, title 25, section 450b*"

Page 1, line 16, delete "*section 4*"

And when so amended the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Amendments adopted. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 2057: A bill for an act relating to financial institutions; authorizing state banks to engage in certain securities activities; permitting state banks to invest in certain corporations and to establish subsidiaries under certain circumstances; authorizing the commissioner to adopt rules and issue orders regarding activities of banks and bank subsidiaries; amending Minnesota Statutes 1986, sections 48.15, by adding a subdivision; and 48.61, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended

as follows:

Page 2, line 5, delete "*or other securities entity*"

Page 2, line 12, after "*subsidiary*" insert "*located in this state*"

Page 2, line 30, delete "*the convenience and needs of the*"

Page 2, line 31, delete "*public,*"

Page 2, line 32, delete "*or affiliate*"

Page 2, delete lines 33 to 36

Page 3, delete lines 1 to 3 and insert:

"(c) The aggregate amount of funds invested in either an equity or loan capacity in all of the subsidiaries of the bank authorized under this section shall not exceed 25 percent of the capital stock and paid in surplus.

(d) A subsidiary organized or acquired under this section is subject to the examination and enforcement authority of the commissioner under chapter 46 to the same extent as a state bank.

(e) For the purposes of this section, "subsidiary" means an entity of which more than 50 percent of the voting shares are owned or controlled by the bank."

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

Mr. Lessard from the Committee on Environment and Natural Resources, to which was re-referred

S.F. No. 1974: A bill for an act relating to the Ramsey-Washington metro watershed district; authorizing a tax for the district's administrative fund.

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

Delete everything after the enacting clause and insert:

"Section 1. [RAMSEY-WASHINGTON METRO WATERSHED DISTRICT ADMINISTRATIVE FUND.]

Notwithstanding Minnesota Statutes, section 112.61, subdivision 3, the Ramsey-Washington metro watershed district may annually levy an ad valorem tax not to exceed one-third mill on taxable property within the district for its administrative fund. The district may levy more than \$125,000 only with the approval of the Ramsey and Washington counties boards of commissioners. The board of managers shall, in other respects, make the levy for the administrative fund in accordance with Minnesota Statutes, section 112.611."

And when so amended the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Amendments adopted. Report adopted.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 1931: A bill for an act relating to state lands; directing sale and conveyance of certain state-owned lands to the city of Owatonna.

Reports the same back with the recommendation that the bill be amended

as follows:

Delete everything after the enacting clause and insert:

“Section 1. [CONVEYANCE OF STATE LANDS TO THE CITY OF OWATONNA.]

Notwithstanding Minnesota Statutes, sections 92.09 to 92.16, the governor upon the recommendation of the commissioner of administration shall offer to quitclaim and convey to the city of Owatonna the land described in this section.

Conveyance shall be made in a form approved by the attorney general, for a consideration of \$600 per acre.

After completion of development work by the city of Owatonna, the land may be subdivided and sold. From the proceeds of a sale of any portion of the property, the city of Owatonna shall deduct and retain a proportionate share of the purchase price and the costs associated with purchase, subdivision, and development including utilities, streets, storm sewers, site work, and engineering. The balance remaining after deduction of these costs shall be remitted to the state treasurer and deposited in the state treasury and credited to the general fund.

The land is located in Steele county and described as:

PARCEL NO. 1:

All that part of the South half of the Southeast Quarter of Section 8, Township 107 North, Range 20 West, described as follows:

Commencing at the Northwest corner of the South Half of the Southeast Quarter of said Section 8. Thence South 514.5 feet along the West line of the South half of the Southeast Quarter of said Section 8 to the point of beginning; thence South along West line of South Half of Southeast Quarter of said Section 8 to the Southwest corner of the South Half of the Southeast Quarter of said Section 8; thence East along the South Line of the South Half of the Southeast Quarter of said Section 8 to the Westerly right-of-way line of U.S. Trunk Highway 35; thence Northeasterly 589.64 Feet along the Westerly right-of-way line of U.S. Trunk Highway 35; thence Northwesterly along said right-of-way line to a point, said last point being 514.5 Feet South of the North Line of said South Half of Southeast Quarter, measured along a line parallel with the West line of said Southeast Quarter; thence West parallel with the North line of said South Half of Southeast Quarter to the point of beginning. Parcel No. 1 contains 37.5 acres more or less.

PARCEL NO. 2:

All that part of the Northeast Quarter, Section 17, Township 107 North, Range 20 West, lying West of the Westerly right-of-way line of U.S. Trunk Highway 35. Parcel No. 2 contains 87.1 acres more or less.

The property described in this section is no longer needed for highway purposes.”

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

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 2160: A bill for an act relating to state lands; conveying certain lands to the city of Brooklyn Center in Hennepin county.

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

Page 1, line 16, after the period, insert "*The conveyance must provide that the property to be transferred reverts back to the state if the property is not used for public purposes.*"

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

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 1952: A bill for an act relating to environment; authorizing sanitary districts to apply for and receive assistance from the waste management board for certain solid waste programs; amending Minnesota Statutes 1986, section 115A.50; and Minnesota Statutes 1987 Supplement, section 115A.49.

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

Page 1, after line 9, insert:

"Section 1. Minnesota Statutes 1986, section 115A.03, is amended by adding a subdivision to read:

"Subd. 28b. [SANITARY DISTRICT.] "Sanitary district" means a sanitary district with the authority to regulate solid waste."

Page 2, line 11, delete everything after "*districts*"

Page 2, line 12, delete everything before the period

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, delete "section" and insert "sections 115A.03, by adding a subdivision; and"

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

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 1598: A bill for an act relating to environment; requiring notice of changes in solid waste facility permits to be given to local governments; proposing coding for new law in Minnesota Statutes, chapter 116.

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

Delete everything after the enacting clause and insert:

"Section 1. [116.074] [NOTICE OF PERMIT CONDITIONS TO LOCAL GOVERNMENTS.]

Before the agency grants a permit for a solid waste facility, allows a significant alteration of permit conditions or facility operation, or allows the change of a facility permittee, the commissioner must notify the county and town where the facility is located, contiguous counties and towns, and all home rule charter and statutory cities within the contiguous townships. If a local government unit requests a public meeting within 30 days after being notified, the agency must hold at least one public meeting in the area near the facility before granting the permit, allowing the alterations in the permit conditions or facility operation, or allowing the change of the facility permittee."

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

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 2212: A bill for an act relating to natural resources; revising provisions relating to the Heartland Trail; amending Minnesota Statutes 1986, section 85.015, subdivision 12.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 85.015, subdivision 12, is amended to read:

Subd. 12. Heartland Trail, Hubbard and Cass counties.

(a) The trail shall originate at mile post 90.92 at Park Rapids in Hubbard county and shall extend in an easterly direction along the Burlington Northern Railroad right-of-way to the south line of Oak Avenue in through Walker in Cass county. The trail shall then continue from the section line between sections 9 and 16, Township 142 North, Range 34 West, in a northerly direction along the Burlington Northern Railroad right-of-way to mile post 137.78, approximately 2 miles south of Cass Lake in Cass county, and there terminate.

(b) The trail shall be developed primarily for riding and hiking.

(c) In addition to the authority granted in subdivision 1, lands and interests in lands for the Heartland Trail may be acquired by eminent domain. Before acquiring any land or interest in land by eminent domain the commissioner of administration shall obtain the approval of the governor. The governor shall consult with the legislative advisory commission before granting approval. Recommendations of the legislative advisory commission shall be advisory only. Failure or refusal of the commission to make a recommendation shall be deemed a negative recommendation.

Sec. 2. Minnesota Statutes 1986, section 85.015, is amended by adding a subdivision to read:

Subd. 12a. [PAUL BUNYAN TRAIL, CROW WING, CASS, HUBBARD, AND BELTRAMI COUNTIES.] The trail shall originate in the city of Baxter in Crow Wing county and shall extend in a northerly direction along the Burlington Northern Railroad right-of-way, intersecting the Heartland State Trail southeast of the city of Walker in Cass county. The trail shall continue on the Heartland State Trail through the city of Walker, then in

a northwesterly direction along the Burlington Northern Railroad right-of-way to the city of Bemidji in Beltrami county and there terminate.

Sec. 3. [EFFECTIVE DATE.]

This act is effective the day following final enactment.

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "proposing the authorization of a new state trail;"

Page 1, line 4, before the period, insert ", and by adding a subdivision"

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

Mr. Lessard from the Committee on Environment and Natural Resources, to which was re-referred

S.F. No. 1662: A bill for an act relating to natural resources; defining state forest management roads; providing for the establishment, construction, administration, and maintenance of state forest management roads; dedicating a portion of gasoline and special fuels taxes to use on state forest roads; amending Minnesota Statutes 1986, sections 89.001, by adding a subdivision; 89.19; 296.16, by adding a subdivision; and 296.421, by adding a subdivision; Laws 1987, chapter 404, section 22, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 89.

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

Page 1, line 17, delete "State" and delete "management"

Page 1, lines 26 and 29, delete "state" and delete "management"

Page 2, line 3, delete "STATE"

Page 2, line 5, delete the second "state"

Page 2, lines 6 and 9, delete "state"

Page 2, lines 12, 24, 28, and 31, delete "state" and delete "management"

Page 2, line 16, delete "MANAGEMENT"

Page 2, line 17, delete "DEDICATION" and insert "DESIGNATION"

Page 2, line 20, delete "hereby dedicated" and insert "designated" and delete "state" and delete "management"

Page 2, line 23, delete "undedicate" and insert "undesignate"

Page 2, line 35, delete "and/or" and insert "or"

Page 3, line 3, delete "dedicated" and insert "designated" and delete "state"

Page 3, lines 4, 16, 19, 22, and 35, delete "management"

Page 3, lines 8, 11, 15, and 18, delete "state" and delete "management"

Page 3, line 14, delete "MANAGEMENT"

Page 3, line 25, after the period, insert "Liability on a road designated under this subdivision is governed by section 160.095, subdivision 4."

Page 3, delete lines 26 to 32

Page 3, line 33, delete "7" and insert "6"

Page 3, line 34, delete "state"

Page 4, line 4, delete "8" and insert "7"

Page 4, line 7, delete "management"

Page 4, line 8, delete everything after "rule"

Page 4, line 9, delete "law"

Page 6, lines 32 and 37, delete "commissioner" and insert "commissioners"

Page 6, line 32, after "transportation" insert ", natural resources, and revenue"

Amend the title as follows:

Page 1, lines 2 and 4, delete "state"

Page 1, lines 3 and 5, delete "management"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 2206: A bill for an act relating to human services; requiring county community social service plans to address the county's responsibility to establish a system of early intervention services for handicapped children; amending Minnesota Statutes 1987 Supplement, section 256E.09, subdivision 3.

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

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 1625: A bill for an act relating to corrections; establishing a shelter for battered American Indian women; appropriating money.

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

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was re-referred

S.F. No. 1595: A bill for an act relating to state agencies; returning the control of the Minnesota veterans home to the department of veterans affairs; creating the veterans home board of directors and providing for its powers and duties; providing for the appointment of deputy commissioners and providing for their powers and duties; appropriating money; amending Minnesota Statutes 1986, sections 196.03; 196.05; 198.001; 198.01; 198.022; 198.03; 198.05; 198.065; 198.075; 198.16; 198.161; 198.23; 198.231; 198.261; 198.265; 198.266; 198.31; 198.32; 198.33; and 198.34; proposing coding for new law in Minnesota Statutes, chapters 196 and 198; repealing Minnesota Statutes 1986, sections 196.02, subdivision 3; and

198.06.

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

Page 4, line 20, after the first "members" insert "*experienced in policy formulation and knowledgeable about health care delivery*"

Page 4, line 23, delete everything after "affairs"

Page 4, delete lines 24 and 25 and insert "shall"

Page 4, line 26, after "as" insert "an" and delete "members" and insert "member"

Page 8, line 29, strike the first comma and insert "and" and strike ", and parents"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

S.F. No. 2174: A bill for an act relating to courts; repealing the law allowing the court administrator to appeal the salary set by the county board to the district court; repealing Minnesota Statutes 1986, section 485.018, subdivision 7.

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

Page 1, after line 8, insert:

"Section 1. [STUDY TASK FORCE.]

The Supreme Court, in consultation with the association of Minnesota counties, shall appoint a task force to study the relationship between the district court and the counties of the state and to make recommendations regarding the control and financing of the district courts. The task force shall report its findings and recommendations to the legislature by February 1, 1989."

Page 1, line 11, before the period, insert "*effective August 15, 1989*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "providing for a task force to study certain issues related to district courts; requiring a report;"

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

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

S.F. No. 2150: A bill for an act relating to state contracts; prohibiting the state from requiring Indian tribes or bands to deny their sovereignty to contract with the state; amending Minnesota Statutes 1986, section 16B.06, by adding a subdivision.

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

Report adopted.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

S.F. No. 2413: A bill for an act relating to retirement; public employees; authorizing employer deferred compensation plan contributions in certain instances; amending Minnesota Statutes 1986, sections 179A.03, subdivision 19; 179A.07, subdivision 2; and 356.24.

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

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was re-referred

S.F. No. 1617: A bill for an act relating to human services; creating a task force to study building code standards for family and group family day care homes; changing building code requirements concerning certain child care facilities; amending Minnesota Statutes 1987 Supplement, section 16B.61, subdivision 3.

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

Page 2, line 25, delete "R" and insert "R-3"

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

Mrs. Lantry from the Committee on General Legislation and Public Gaming, to which was referred

S.F. No. 1815: A bill for an act relating to animals; prohibiting transportation of certain animals in open vehicles; prohibiting leaving animals unattended in motor vehicles in an unsafe or dangerous manner and authorizing their removal by peace officers and fire and rescue officials; proposing coding for new law in Minnesota Statutes, chapter 346.

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

Page 1, line 15, delete "an" and insert "a dog or cat"

Page 1, line 16, delete "animal"

Page 1, after line 21, insert:

"This section does not apply to the transportation of a dog whose owner either owns or is employed by a ranching or farming operation who is traveling on a road in a rural area or who is traveling to and from a livestock auction or the transportation of a dog for purposes associated with ranching or farming."

Page 1, line 27, after the comma, insert "humane officer under section 343.01,"

Page 2, after line 4, insert:

"Subd. 5. [PENALTY.] A person who violates any provision of subdivision 1 or 2 is subject to a fine of \$25."

Amend the title as follows:

Page 1, line 6, after the semicolon, insert "providing penalties;"

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

Mr. Pehler from the Committee on Education, to which was referred

S.F. No. 2152: A bill for an act relating to higher education; establishing the university center at Rochester; establishing its responsibilities, duties, and powers; providing for its governance; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 136E.

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

Delete everything after the enacting clause and insert:

"Section 1. [135A.12] [UNIVERSITY CENTER AT ROCHESTER.]

Subdivision 1. [ESTABLISHMENT.] A university center at Rochester is established to meet the needs for higher education in the greater Rochester area. The center shall be under the general supervision and control of a board consisting of the following:

(1) one member appointed by the board of regents of the University of Minnesota;

(2) one member appointed by the state university board;

(3) one member appointed by the state board for community colleges; and

(4) two members, appointed by the governor, who reside in the Rochester area.

No member appointed by a board may be a resident of the Rochester area.

Subd. 2. [POWERS.] The board shall direct the operations of the center and may expend money appropriated to it. The board shall appoint an administrator for the center and may employ other staff as necessary.

Subd. 3. [ADVISORY COMMITTEE.] The board shall appoint an advisory committee to provide assistance in performing its duties.

Subd. 4. [COORDINATION.] When determining a program to be funded through the center, the board shall survey existing educational services to determine appropriate coordination and sharing of curriculum and program.

Sec. 2. [APPROPRIATIONS.]

Subdivision 1. [COORDINATION.] The sum of \$ is appropriated from the general fund to the board of the university center at Rochester for fiscal year 1989."

Amend the title as follows:

Page 1, line 3, delete everything after the semicolon

Page 1, line 4, delete everything before "providing"

Page 1, line 6, delete "as" and insert "in" and delete "136E" and insert "135A"

And when so amended the bill do pass and be re-referred to the Committee on Governmental Operations. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F Nos. 1700, 2213, 1823, 1695, 974, 1800, 1802, 2143, 1882, 1876, 1681, 2300, 2288, 1956, 1427, 1947, 2097, 2191, 2323, 2057, 1931, 2160, 1952, 1598, 2212, 2206, 2174, 2150, 2413, 1617 and 1815 were read the second time.

SECOND READING OF HOUSE BILLS

H.F Nos. 1884, 2083, 1868, 2270, 1999, 1989, 2020 and 2312 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Lessard moved that the name of Mr. Dicklich be added as a co-author to S.F No. 262. The motion prevailed.

Ms. Reichgott moved that the name of Mr. Moe, R.D. be added as a co-author to S.F No. 1284. The motion prevailed.

Mr. Lessard moved that the names of Messrs. Solon and Dicklich be added as co-authors to S.F No. 2254. The motion prevailed.

Mr. Pogemiller moved that the name of Mrs. Brataas be added as a co-author to S.F No. 2336. The motion prevailed.

Ms. Olson moved that her name be stricken as a co-author to S.F No. 2350. The motion prevailed.

Mrs. McQuaid moved that her name be stricken as a co-author to S.F No. 2350. The motion prevailed.

Mr. Moe, D.M. moved that the names of Messrs. Wegscheid and Pogemiller be added as co-authors to S.F No. 2413. The motion prevailed.

Mr. Merriam moved that the name of Mr. Dahl be added as a co-author to S.F No. 2443. The motion prevailed.

Mr. Merriam moved that the name of Mr. Dahl be added as a co-author to S.F No. 2444. The motion prevailed.

Mr. Lessard moved that the name of Mr. Samuelson be added as a co-author to S.F No. 2454. The motion prevailed.

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

Senate Resolution No. 119: A Senate resolution commending Gordon Rosenmeier for his outstanding service to the State of Minnesota as a member of the State Senate.

Referred to the Committee on Rules and Administration.

Mr. Metzen introduced—

Senate Resolution No. 120: A Senate resolution congratulating the Simley High School Spartans Wrestling Team for winning the 1988 State High School Class AA Wrestling Tournament Championship.

Referred to the Committee on Rules and Administration.

Mr. Purfeerst introduced—

Senate Resolution No. 121: A Senate resolution observing Deaf Heritage Week and the 125th Anniversary of the Minnesota State Academy for the Deaf.

Referred to the Committee on Rules and Administration.

Messrs. Freeman, Schmitz, Larson, Decker and Ms. Reichgott introduced—

Senate Concurrent Resolution No. 23: A Senate concurrent resolution deploring acts of violence, threats of violence, and other criminal acts against reproductive health care facilities, and exhorting law enforcement agencies to investigate such acts and apprehend and prosecute those responsible for their perpetration.

Mr. Moe, R.D. moved that Senate Concurrent Resolution No. 23 be laid on the table. The motion prevailed.

Mr. Cohen moved that Senate Concurrent Resolution No. 21 be taken from the table. The motion prevailed.

Senate Concurrent Resolution No. 21: A Senate concurrent resolution proclaiming Sunday, May 15, as Ethnic American Day in Minnesota.

WHEREAS, the population of Minnesota is a diverse collection that includes the Native Americans who were this land's first inhabitants as well as people who have come here from all parts of the globe; and

WHEREAS, Minnesotans, whatever their origins, have contributed their cultures, traditions, and values to their fellow citizens and have, in turn, benefited from the contributions of others; and

WHEREAS, at the same time that we recognize our diversity, we also share a love of our common humanity and a sense of gratitude for our opportunity to enrich one another with, on the one hand, our uniqueness and, on the other, our basic similarity; and

WHEREAS, together with all Americans, we stand as living examples to the world of the ideal expressed by our founders in the motto "E Pluribus Unum," or "One From Many"; and

WHEREAS, from time to time, we need to reaffirm our dedication to that ideal and to remind ourselves that, while each of us is different, we are all members of the family of humankind; and

WHEREAS, the observance of Ethnic American Day will provide an appropriate occasion for such a reaffirmation and reminder; and

WHEREAS, Agnea Antoniades of St. Paul organized the first observance of Ethnic American Day in 1986; NOW, THEREFORE,

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

(1) Sunday, May 15, is proclaimed to be Ethnic American Day.

(2) The Senate and the House of Representatives of the State of Minnesota extend their congratulations to Agnea Antoniades for her successful efforts to make this observance possible for her fellow Minnesotans.

BE IT FURTHER RESOLVED that the Secretary of the Senate is directed

to prepare an enrolled copy of this resolution, to be authenticated by his signature and those of the Chairman of the Rules and Administration Committee of the Senate, the Chief Clerk of the House, and the Speaker of the House, and present it to Agnea Antoniadis.

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

Mr. Benson, for Mrs. Brataas, moved that S.F. No. 2391 be withdrawn from the Committee on Environment and Natural Resources and returned to its author. The motion prevailed.

CONSENT CALENDAR

S.F. No. 1958: A bill for an act relating to employment; requiring rest breaks during the work day; amending Minnesota Statutes 1986, section 177.32, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 177.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Messrs. Samuelson, Solon, Wegscheid, Frederick and Anderson introduced—

S.F. No. 2476: A bill for an act relating to insurance; requiring the department of health to prepare social, financial, and competitive impact reports for bills or amendments that mandate health insurance coverage.

Referred to the Committee on Commerce.

Mr. Benson introduced—

S.F. No. 2477: A bill for an act relating to human services; limiting certain sliding fee child care services to 12 months; establishing a loan program for child care services; appropriating money; amending Minnesota Statutes 1986, section 268.91, subdivision 10, and by adding a subdivision;

Minnesota Statutes 1987 Supplement, section 268.91, subdivisions 3, 8, 11, and 12.

Referred to the Committee on Health and Human Services.

Mr. Solon introduced—

S.F. No. 2478: A bill for an act relating to commerce; requiring the health department to analyze the financial and competitive impacts of legislation involving health insurance mandates; requiring a report; proposing coding for new law in Minnesota Statutes, chapter 144.

Referred to the Committee on Commerce.

Mr. Knaak introduced—

S.F. No. 2479: A bill for an act relating to taxation; individual income; exempting certain scholarship income from taxation; amending Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19b.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Frank, Kroening, Laidig, Ms. Peterson, D.C. and Mr. Novak introduced—

S.F. No. 2480: A bill for an act relating to taxation; income; providing a pension exclusion; repealing the credit for elderly and disabled persons; amending Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19b; proposing coding for new law in Minnesota Statutes, chapter 290; repealing Minnesota Statutes 1987 Supplement, section 290.06, subdivision 20.

Referred to the Committee on Taxes and Tax Laws.

Mr. DeCramer introduced—

S.F. No. 2481: A bill for an act relating to natural resources; providing water planning assistance by the state planning agency; appropriating money to the board of water and soil resources to implement water planning duties; amending Minnesota Statutes 1986, section 110B.10, by adding a subdivision.

Referred to the Committee on Environment and Natural Resources.

Mr. Wegscheid introduced—

S.F. No. 2482: A bill for an act relating to education; regulating the state high school league; specifying certain appointments to its governing board; amending Minnesota Statutes 1986, section 129.121, subdivision 2, and by adding subdivisions; and Minnesota Statutes 1987 Supplement, section 129.121, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 129.

Referred to the Committee on Education.

Mr. Johnson, D.E. introduced—

S.F. No. 2483: A bill for an act relating to state parks; appropriating money for the acquisition of land in Sibley state park.

Referred to the Committee on Finance.

Messrs. Cohen; Dahl; Vickerman; Johnson, D.E. and Wegscheid introduced—

S.F. No. 2484: A bill for an act relating to education; placing conditions on University of Minnesota appropriations; requesting a study by the legislative auditor.

Referred to the Committee on Education.

Mr. Kroening introduced—

S.F. No. 2485: A bill for an act relating to capital improvements; providing funds for development of the great river road; authorizing sale of state bonds; appropriating money.

Referred to the Committee on Finance.

Messrs. Moe, D.M.; Spear and Storm introduced—

S.F. No. 2486: A resolution memorializing the Congress of the United States to ratify the Genocide Treaty.

Referred to the Committee on Judiciary.

Mr. Diessner introduced—

S.F. No. 2487: A bill for an act relating to health; including dentists as persons permitted to order therapy treatment; amending Minnesota Statutes 1986, sections 148.75; and 148.76, subdivision 2.

Referred to the Committee on Health and Human Services.

Mr. Dicklich introduced—

S.F. No. 2488: A bill for an act relating to city of Buhl; providing for lease agreement with department of natural resources.

Referred to the Committee on Environment and Natural Resources.

Messrs. Metzen; Solon; Moe, R.D. and Benson introduced—

S.F. No. 2489: A bill for an act relating to consumer protection; regulating the provision of real estate closing services; amending Minnesota Statutes 1986, sections 82.17, by adding a subdivision; 82.19, subdivisions 1, 2, and 4; 82.20, subdivisions 1, 2, and 3; 82.22, subdivisions 1, 5, 10, 11, and 13; 82.23, subdivision 2; 82.27, subdivision 2; and 481.02, subdivision 3, and by adding subdivisions; Minnesota Statutes 1987 Supplement, section 82.21, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 507.

Referred to the Committee on Commerce.

Mrs. McQuaid and Mr. Decker introduced—

S.F. No. 2490: A bill for an act relating to education; requiring the state board of education to recommend a definition of the secondary education foundation program to which every Minnesota secondary student will have access; requiring the state board of education to solicit public participation; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 124A.

Referred to the Committee on Education.

Messrs. Luther, Schmitz and Wegscheid introduced—

S.F. No. 2491: A bill for an act relating to metropolitan government; establishing various requirements on agency organization, work programs, budgets, and reports; amending Minnesota Statutes 1986, sections 473.13, subdivision 1; 473.146, subdivision 3; 473.173, subdivision 6; 473.245; and 473.375, subdivision 16; Minnesota Statutes 1987 Supplement, section 473.1623, subdivisions 4 and 6.

Referred to the Committee on Local and Urban Government.

Mrs. McQuaid and Mr. Decker introduced—

S.F. No. 2492: A bill for an act relating to taxation; sales; exempting nonprescription drugs and health products; amending Minnesota Statutes 1987 Supplement, section 297A.25, subdivision 3.

Referred to the Committee on Taxes and Tax Laws.

Mr. Luther introduced—

S.F. No. 2493: A bill for an act relating to corporations; regulating compensation agreements of publicly held corporations; authorizing the establishment of special corporate litigation committees; prohibiting the issuance and exercise of certain corporate securities and warrants; extending the application of the control share acquisition and business combination provisions of state law; modifying the definition of an interested shareholder; modifying the business combinations provisions of state law; amending Minnesota Statutes 1986, sections 302A.243; and 302A.401, subdivision 2, and by adding a subdivision; Minnesota Statutes 1987 Supplement, sections 302A.011, subdivision 49; 302A.255, subdivision 3; 302A.671, subdivision 1; and 302A.673.

Referred to the Committee on Judiciary.

Mr. Wegscheid introduced—

S.F. No. 2494: A bill for an act relating to state government; transferring administration and financing of the district court to the state; proposing coding for new law in Minnesota Statutes, chapter 485.

Referred to the Committee on Finance.

Messrs. Berg; Langseth; Morse; Frederickson, D.R. and Gustafson introduced—

S.F. No. 2495: A bill for an act relating to workers' compensation; regulating workers' compensation benefits and administration; regulating workers' compensation insurance; requiring certain reports relating to workers' compensation; amending Minnesota Statutes 1986, sections 79.251, subdivisions 2, 3, 4, and 5; 79.252, subdivision 1; 79.37; 79.56, by adding a subdivision; 176.011, subdivision 18, and by adding a subdivision; 176.021, subdivision 3; 176.061, subdivision 10; 176.101, subdivisions 1, 2, 4, 5, 6, and by adding a subdivision; 176.102, subdivisions 1, 7, 9, and 11; 176.105, subdivision 1; 176.111, subdivisions 6, 7, 8, 12, 14, and 20; 176.131, subdivisions 1a, 2, 3, 4, 5, and by adding a subdivision; 176.132,

subdivisions 1 and 2; 176.645, subdivision 2; 176.66, subdivision 11; Minnesota Statutes 1987 Supplement, sections 176.102, subdivisions 3, 3a, and 4; 176.111, subdivisions 15 and 21; 176.131, subdivisions 1 and 8; proposing coding for new law in Minnesota Statutes, chapter 176; repealing Minnesota Statutes 1986, sections 176.011, subdivision 26; and 176.101, subdivisions 3a to 3u.

Referred to the Committee on Employment.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Monday, March 14, 1988. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

SIXTY-EIGHTH DAY

St. Paul, Minnesota, Monday, March 14, 1988

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

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rev. Philip J. Weiler.

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

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

The President declared a quorum present.

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

MEMBERS EXCUSED

Messrs. Decker and Larson were excused from the Session of today.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

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

March 3, 1988

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment to the Board of the Minnesota School and

Resource Center for the Arts is hereby respectfully submitted to the Senate for confirmation as required by law:

Audrey Eickhof, R.R. 2, Box 17, Crookston, Polk County, has been appointed by me, effective March 8, 1988, for a term expiring the first Monday in January, 1989.

(Referred to the Committee on Education.)

March 3, 1988

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment to the Minnesota Higher Education Coordinating Board is hereby respectfully submitted to the Senate for confirmation as required by law:

Alice S. Keller, 358 Collegeview, Winona, Winona County, has been appointed by me, effective March 8, 1988, for a term expiring the first Monday in January, 1994.

(Referred to the Committee on Education.)

Sincerely,

Rudy Perpich, Governor

March 10, 1988

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. Nos. 236 and 1184.

Sincerely,

Rudy Perpich, Governor

March 10, 1988

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

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1988 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Date Approved 1988	Date Filed 1988
236		406	March 10	March 10
1184		407	March 10	March 10

Sincerely,

Joan Anderson Growe

Secretary of State

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S.F. No. 1715.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 10, 1988

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 3 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 232: A bill for an act relating to crimes; expanding the definition of crime for victims' rights provisions to include ordinance violations resulting in bodily harm; expanding crimes that entitle victim to notice of plea agreement; granting right to victim to submit an impact statement to the court; requiring officers to give victims a notice of their rights; requiring prosecutors to present to the court a written victim impact summary prepared by the victim; ensuring privacy of victim's request for notice of prisoner release; amending Minnesota Statutes 1986, sections 611A.01; 611A.02; and 611A.06; proposing coding for new law in Minnesota Statutes, chapter 611A; repealing Minnesota Statutes 1986, section 611A.03, subdivision 3.

There has been appointed as such committee on the part of the House: Seaberg, Kelly and Bishop.

Senate File No. 232 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 10, 1988

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 3 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 1575: A bill for an act relating to game and fish; clarifying when

a trout and salmon stamp is required and responsibility for road-kill deer; amending Minnesota Statutes 1986, section 97C.305; Minnesota Statutes 1987 Supplement, sections 97A.475, subdivisions 6 and 7; 97A.485, subdivision 6; and 97A.502; repealing Minnesota Statutes 1987 Supplement, section 97A.451, subdivision 1.

There has been appointed as such committee on the part of the House: Battaglia, Munger and Rose.

Senate File No. 1575 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 10, 1988

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 577, 1940, 1709, 1806 and 1817.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 10, 1988

FIRST READING OF HOUSE BILLS

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

H.F. No. 577: A bill for an act relating to termination of parental rights; clarifying the purposes of the laws on termination of parental rights; altering certain grounds and procedures for termination of parental rights; amending Minnesota Statutes 1986, sections 257.071, subdivisions 3 and 4; 260.011, subdivision 2; 260.012; 260.015, subdivision 10; and 260.155, subdivisions 4a and 7; and Minnesota Statutes 1987 Supplement, section 260.221.

Referred to the Committee on Judiciary.

H.F. No. 1940: A bill for an act relating to consumer protection; requiring certain disclosures regarding storage fees imposed by repair shops; amending Minnesota Statutes 1986, sections 325F.58, subdivision 3; and 325F.62, subdivision 3; Minnesota Statutes 1987 Supplement, sections 325F.56, subdivision 8; and 325F.60, subdivision 1.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1801, now on General Orders.

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

Referred to the Committee on Governmental Operations.

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

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1784, now on General Orders.

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

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1698, now on General Orders.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of the report pertaining to appointments and the reports pertaining to S.F. Nos. 722 and 1888. The motion prevailed.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 2203: A bill for an act relating to human services; authorizing a county to establish an adult protection team; requiring records to be maintained; proposing coding for new law in Minnesota Statutes, chapter 626.

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

Page 1, line 25, delete "must" and insert "may"

Page 2, delete lines 8 to 14 and insert:

"Subd. 3. [INFORMATION SHARING.] The local welfare agency may make available to members of the team for case consultation all records collected and maintained by the agency under section 626.557 and in connection with case consultation. Any member of the case consultation committee may share welfare data or mental health data, acquired in the member's professional capacity, with the committee to assist the committee in its function. Members prohibited from disclosing patient identifying information because of federal law shall seek consent from each patient or resident, or a guardian, conservator or legal representative, for the disclosure of appropriate data to the case consultation committee."

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

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 2157: A bill for an act relating to human services; establishing minimum maintenance and difficulty of care rates for adults in foster care;

amending Minnesota Statutes 1987 Supplement, section 256D.37, subdivision 1.

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

Page 3, line 26, delete everything after "(c)"

Page 3, line 27, delete everything before "The"

Page 3, line 28, delete "minimum standard"

Page 3, line 30, delete "emergency and permanent"

Page 3, line 31, delete "minimum"

Page 3, line 32, delete "conisder" and insert "consider"

Page 3, line 35, after the period, insert "*Rate increases which occur upon implementation of statewide rates for adults in foster care are exempt from the percentage limit on annual increases in negotiated rates. Nothing in this paragraph shall be construed to prevent counties from paying higher rates with county funds.*"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 2158: A bill for an act relating to health; extending foster care insurance to providers of adult foster care; appropriating money; amending Minnesota Statutes 1986, section 245.814, subdivisions 1, 2, and 3.

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

Page 1, line 13, delete "under"

Page 1, line 14, delete "chapter 245A"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Hughes from the Committee on Elections and Ethics, to which was referred

S.F. No. 2224: A bill for an act relating to elections; requiring optical scan voting systems to be tested within 14 days before election; amending Minnesota Statutes 1986, section 206.83.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

Mr. Hughes from the Committee on Elections and Ethics, to which was referred

S.F. No. 2264: A bill for an act relating to elections; allowing the city of Falcon Heights to consolidate election precincts.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

Mr. Hughes from the Committee on Elections and Ethics, to which was referred

S.F. No. 2134: A bill for an act relating to St. Louis county; requiring a polling place at a certain location.

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

Page 1, delete lines 11 to 13 and insert:

“Notwithstanding Minnesota Statutes, section 645.021, subdivision 2, section 1 is effective upon approval by a majority of the voters of St. Louis county, voting on the question at the 1988 general election.

Sec. 3. [BALLOT QUESTION.]

At the election on the question of approval of section 1, the question submitted to the voters shall be:

“Beginning in 1990, shall St. Louis County provide a polling place at the Evergreen Fire Department fire hall for each primary and general election?”

Yes
No

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

Mr. Hughes from the Committee on Elections and Ethics, to which was referred

S.F. No. 2398: A bill for an act relating to elections; providing that statewide computerized voter registration system satisfy requirements for duplicate registration file; establishing voter registration account and appropriating money; changing certain procedures related to registration cards, files, and records; changing certain procedures for filing, voting, arranging names on ballots, and completing summary statements; amending Minnesota Statutes 1986, sections 201.091, subdivisions 2 and 5; 204B.09, subdivision 1; 204D.08, subdivision 5; Minnesota Statutes 1987 Supplement, sections 201.022, subdivision 1; 201.071, subdivision 4; 204C.24, subdivision 1; and 204D.08, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 201.

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

Page 1, line 28, delete “All” and insert “County”

Page 1, line 29, delete “must be” and insert “are”

Page 6, after line 14, insert:

“Sec. 10. Minnesota Statutes 1987 Supplement, section 206.80, is amended to read:

206.80 [ELECTRONIC VOTING SYSTEMS.]

(a) An electronic voting system may not be employed unless it

(1) permits every voter to vote in secret;

(2) permits every voter to vote for all candidates and questions for whom or upon which the voter is legally entitled to vote;

(3) provides for write-in voting when authorized;

(4) rejects by means of the automatic tabulating equipment, except as provided in section 206.84 with respect to write-in votes, all votes for an office or question when the number of votes cast on it exceeds the number which the voter is entitled to cast;

(5) permits a voter at a primary election to select secretly the party for which the voter wishes to vote; and

(6) rejects, by means of the automatic tabulating equipment, all votes cast in a primary election by a voter when the voter votes for candidates of more than one party, except as provided in paragraph (b).

(b) A punch card electronic voting system ~~must permit~~ *may not be employed at a partisan primary election unless it permits* a voter at a partisan primary election to select the party for which the voter wishes to vote by punching out an indicator for one of the parties only, and must reject, by means of the automatic tabulating equipment, all votes cast in a partisan primary election by a voter for candidates of a party other than the one chosen by the voter from the party indicators."

Amend the title as follows:

Page 1, line 10, after the semicolon, insert "permitting cities or counties to use their present voting systems for general elections;"

Page 1, line 14, delete "and"

Page 1, line 15, after the semicolon, insert "and 206.80;"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Hughes from the Committee on Elections and Ethics, to which was referred

S.F. No. 2378: A bill for an act relating to campaign financing; providing that a portion of the proceeds of the state elections campaign checkoff be paid to political parties; requiring transfer of amounts designated for payment to a candidate who refuses public financing to that candidate's opponent; amending Minnesota Statutes 1986, section 10A.31, subdivision 5; repealing Minnesota Statutes 1986, section 10A.32, subdivision 3b.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 10A.01, is amended by adding a subdivision to read:

Subd. 24. [STATE COMMITTEE.] "State committee" means the organization which, by virtue of the bylaws of a political party, is responsible for the day-to-day operation of the political party at the state level.

Sec. 2. Minnesota Statutes 1986, section 10A.25, subdivision 10, is amended to read:

Subd. 10. The expenditure limits imposed by this section apply only to

candidates who agree to be bound by the limits as a condition of receiving a public subsidy for their campaigns in the form of:

- (a) an allocation of money from the state elections campaign fund; or
- (b) Credits against the tax due of individuals who contribute to that candidate.

Sec. 3. Minnesota Statutes 1986, section 10A.31, subdivision 5, is amended to read:

Subd. 5. In each calendar year the moneys in each party account and the general account shall be allocated to candidates as follows:

(1) ~~21~~ 16.8 percent for the offices of governor and lieutenant governor together;

(2) ~~3-6~~ 2.88 percent for the office of attorney general;

(3) ~~1-8~~ 1.44 percent each for the offices of secretary of state, state auditor and state treasurer;

(4) In each calendar year during the period in which state senators serve a four-year term, ~~23-1/3~~ 18.64 percent for the office of state senator and ~~46-2/3~~ 37.3 percent for the office of state representative;

(5) In each calendar year during the period in which state senators serve a two-year term, ~~35~~ 28 percent each for the offices of state senator and state representative;

(6) 20 percent for the state committee of a political party; money allocated to each state committee under this clause must be deposited in a separate account and must be spent for legitimate political party operations, including voter education; the sample ballot; operations of precinct caucuses, county unit conventions, and state conventions; and the maintenance and programming of computers used to provide lists of voters, party workers, party officers, patterns of voting, and other data for use in political party activities;

(7) To assure that moneys will be returned to the counties from which they were collected, and to assure that the distribution of those moneys rationally relates to the support for particular parties or for particular candidates within legislative districts, moneys from the party accounts for legislative candidates shall be distributed as follows:

Each candidate for the state senate and state house of representatives whose name is to appear on the ballot in the general election shall receive money from the candidate's party account set aside for candidates of the state senate or state house of representatives, whichever applies, according to the following formula;

For each county within the candidate's district the candidate's share of the dollars allocated in that county to the candidate's party account and set aside for that office shall be:

(a) The sum of the votes cast in the last general election in that part of the county in the candidate's district for all candidates of that candidate's party (i) whose names appeared on the ballot in each voting precinct of the state and (ii) for the state senate and state house of representatives, divided by

(b) The sum of the votes cast in that county in the last general election

for all candidates of that candidate's party (i) whose names appeared on the ballot in each voting precinct in the state and (ii) for the state senate and state house of representatives, multiplied by

(c) The amount in the candidate's party account allocated in that county and set aside for the candidates for the office for which the candidate is running.

The sum of all the county shares calculated in the formula above is the candidate's share of the candidate's party account.

In a year in which an election for the state senate occurs, with respect to votes for candidates for the state senate only, "last general election" means the last general election in which an election for the state senate occurred.

For any party under whose name no candidate's name appeared on the ballot in each voting precinct in the state in the last general election, amounts in the party's account shall be allocated based on (a) the number of people voting in the last general election in that part of the county in the candidate's district, divided by (b) the number of the people voting in that county in the last general election, multiplied by (c) the amount in the candidate's party account allocated in that county and set aside for the candidates for the office for which the candidate is running.

In a year in which the first election after a legislative reapportionment is held, "the candidate's district" means the newly drawn district, and voting data from the last general election will be applied to the area encompassing the newly drawn district notwithstanding that the area was in a different district in the last general election.

If in a district there was no candidate of a party for the state senate or state house of representatives in the last general election, or if a candidate for the state senate or state house of representatives was unopposed, the vote for that office for that party shall be the average vote of all the remaining candidates of that party in each county of that district whose votes are included in the sums in clauses (a) and (b). The average vote shall be added to the sums in clauses (a) and (b) before the calculation is made for all districts in the county.

Money from a party account not distributed to candidates for state senator and representative in any election year shall be returned to the general fund of the state. Money from a party account not distributed to candidates for other offices in an election year shall be returned to the party account for reallocation to candidates as provided in clauses (1) to (6) of this subdivision in the following year. Moneys from the general account refused by any candidate shall be distributed to ~~all other qualifying candidates in proportion to their shares as provided in this subdivision~~ *the other candidates for the same office in the district who have signed an agreement to be bound by the limits, and are eligible to receive money from the general account.*

Sec. 4. [REPEALER.]

Minnesota Statutes 1986, section 10A.32, subdivision 3b, is repealed."

Amend the title as follows:

Page 1, line 8, delete "section" and insert "sections 10A.01, by adding a subdivision; 10A.25, subdivision 10; and"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Hughes from the Committee on Elections and Ethics, to which was referred

S.F. No. 762: A bill for an act proposing an amendment to the Minnesota Constitution, article IV, section 4; providing for a senate with six-year terms and a house of representatives with staggered four-year terms.

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

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 1717: A bill for an act relating to natural resources; adding certain land to Jay Cooke State Park in Carlton county.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 2340: A bill for an act relating to minerals; authorizing the commissioner of natural resources to lease certain severed mineral interests; amending Minnesota Statutes 1986, section 93.55, subdivisions 1, 3, and by adding a subdivision.

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

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 2215: A bill for an act relating to state lands; authorizing private conveyance of tax-forfeited land in St. Louis county.

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

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

S.F. No. 2325: A bill for an act relating to agriculture; appropriating money to collect and disseminate materials on soil and water stewardship for use in primary and secondary school curricula.

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

Page 1, line 14, after "*soil*" insert "*and water*"

Page 1, line 19, after "*how*" insert "*existing*"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

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

S.F. No. 1998: A bill for an act relating to grain marketing; establishing standards for certain premiums and discounts; authorizing the commissioner of agriculture to review the accuracy of certain test equipment operators; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 17C.

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

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes [1986, section 17B.02, is amended to read:

17B.02 [DEFINITIONS.]

Subdivision 1. [SCOPE.] As used in sections 17B.01 to 17B.29, the terms defined in this section have the meanings given them.

Subd. 2. [DEPARTMENT.] “Department” means the Minnesota department of agriculture.

Subd. 3. [COMMISSIONER.] “Commissioner” means the commissioner of agriculture or the commissioner’s authorized representative.

Subd. 3a. [DISCOUNT.] “Discount” means an offer or purchase price for grain that is lower than the base or standard price offered by a buyer at a certain time and at a specified location. A discount price represents the lower than normal value of the grain because of inferior quality as determined by measurement of grade, dockage, test weight, moisture content, protein content, or other factors.

Subd. 3b. [INDEX MOISTURE LEVEL.] “Index moisture level” means the percentage moisture content for each grain that is used in establishing base or standard prices for the grain as determined by the commissioner.

Subd. 4. [PERSON.] “Person” means any individual, firm, copartnership, cooperative, company, association, and corporation, or their lessees, trustees, or receivers.

Subd. 5. [PREMIUM.] “Premium” means an offer or a purchase price for grain that exceeds the base or standard price offered by a buyer at a certain time and at a specified location. A premium price represents the higher than normal value of the grain because of superior quality as determined by measurement of grade, dockage, moisture content, test weight, protein content, or other factors.

Subd. 6. [TEST EQUIPMENT.] “Test equipment” means the mechanical and electronic devices commonly used in measurement of grain qualities including protein content, moisture content, and test weight.

Subd. 7. [TEST EQUIPMENT OPERATOR.] “Test equipment operator” means a person assigned by the management of an elevator or grain storage facility who is chiefly responsible for the preparation and analysis of grain samples for protein content, test weight, moisture content, and other qualities upon which price is determined.

Sec. 2. [17B.041] [COMMISSIONER TO REVIEW ACCURACY OF TEST EQUIPMENT AND TEST EQUIPMENT OPERATORS.]

Subdivision 1. [PERIODIC REVIEW.] The commissioner shall establish

a program for the periodic grain testing review of protein analysis, test weight, and moisture test equipment, and test equipment operators. A review must consist of the performance of routine tests and analysis by the principal operator of the test equipment. A review under this section must be based on the results of on-site analysis performed on one or more samples of grain by the principal operator of the appropriate test equipment.

Subd. 2. [POSTING OF REVIEW FINDINGS.] Personnel of the department who perform a review of test equipment and test equipment operators under subdivision 1 must post a dated and signed statement indicating the conclusions of the review in a conspicuous location in the place of business where grain testing is conducted. The statement must be on a form provided by the commissioner and include in prominent wording a caution to the effect that the results at the time of a review by department personnel do not necessarily indicate either accuracy or inaccuracy in the test equipment or procedures at other times. The statement must remain on display until a subsequent review has been made.

Subd. 3. [FOLLOW-UP REVIEW UPON REQUEST.] The commissioner shall arrange for a follow-up review within seven business days of a periodic review if a follow-up review is requested by the test equipment operator.

Subd. 4. [REQUEST FOR COMMISSIONER TO SCHEDULE A REVIEW.] A purchaser or seller of grain may request the commissioner to perform a review of the test equipment and test equipment operator that is used to test the grain. A signed request must be submitted to the commissioner and upon receipt of a request, the commissioner shall schedule a review at a reasonable time considering other duties and responsibilities of the department personnel.

Subd. 5. [COMMISSIONER AND DEPARTMENT NOT LIABLE.] The state is not liable to a seller or purchaser of grain for losses resulting from erroneous tests or analysis by test equipment or test equipment operators, whether reviewed by the department or not, if the commissioner and the department have exercised due care in the scheduling and conduct of reviews under subdivisions 1 and 3.

Sec. 3. [17B.045] [PREMIUMS BASED ON TEST WEIGHT MUST EQUAL OR EXCEED DISCOUNTS.]

A purchaser of grain who provides a discount for grain that falls below the standard test weight for that grain shall offer an equal or greater premium for grain that has a test weight higher than the standard test weight.

Sec. 4. [17B.047] [PREMIUMS BASED ON MOISTURE CONTENT.]

Subdivision 1. [COMMISSIONER TO ESTABLISH INDEX MOISTURE LEVELS.] The commissioner shall establish an index moisture level for each grain commonly bought and sold in this state by rule. The commissioner may take into consideration factors such as moisture level variations appropriate to different locations within the state, variations in the keeping qualities of grains at different seasons of the year, and other appropriate factors.

Subd. 2. [PREMIUMS GENERALLY EQUAL TO OR GREATER THAN DISCOUNTS.] A purchaser of grain who provides a discount for grain based on tested moisture content higher than the index moisture level shall provide an equal or greater premium for grain that tests at a moisture

content within the next three percentage points below the index moisture level. If the moisture content in a valid sample of the purchased grain is more than three percentage points below the index moisture level, the premium offered need not be further tied to an equivalent discount provided for grain that tests higher than the index moisture level.

Sec. 5. [17B.048] [SELLER OPTION TO AVERAGE LOADS.]

A purchaser of grain must allow a seller who delivers grain in multiple loads within a period of seven consecutive calendar days, at the option of the seller, to average the measurements from the multiple loads with respect to test weight, moisture content, and protein analysis.

Sec. 6. [APPROPRIATION.]

\$ is appropriated from the general fund to the commissioner of agriculture for purposes of providing periodic reviews of test equipment and test equipment operators under section 2. The complement of the department is increased by

Sec. 7. [EFFECTIVE DATE.]

Sections 3, 4, and 5, apply to purchases of grain occurring on or after July 1, 1989."

Amend the title as follows:

Page 1, line 5, after "test" insert "equipment and test" and after the second semicolon, insert "amending Minnesota Statutes 1986, section 17B.02;"

Page 1, line 6, delete "as" and insert "in"

Page 1, line 7, delete "17C" and insert "17B"

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

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 2025: A bill for an act relating to financial institutions; providing for the licensing of mortgage lenders and loan officers and general mortgage brokers and individual mortgage brokers; detailing the supervising powers of the commissioner; prescribing penalties; appropriating money; amending Minnesota Statutes 1986, sections 46.131, subdivision 2; 56.01; and 82.18; Minnesota Statutes 1987 Supplement, section 82.17, subdivision 4; proposing coding for new law as Minnesota Statutes, chapter 82B.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 56.01, is amended to read:

56.01 [NECESSITY OF LICENSE.]

(a) Except as authorized by this chapter and without first obtaining a license from the commissioner, no person shall engage in the business of making loans of money, credit, goods, or things in action, in an amount or of a value not exceeding that specified in section 56.131, subdivision 1, and charge, contract for, or receive on the loan a greater rate of interest, discount, or consideration than the lender would be permitted by law to

charge if not a licensee under this chapter.

(b) An agency or instrumentality of the United States government or a corporation otherwise created by an act of the United States Congress or a lender approved or certified by the secretary of housing and urban development, or approved or certified by the administrator of veterans affairs, or approved or certified by the administrator of the farmers home administration, or approved or certified by the federal home loan mortgage corporation, or approved or certified by the federal national mortgage association, that engages in the business of purchasing or taking assignments of mortgage loans and undertakes direct collection of payments from or enforcement of rights against borrowers arising from mortgage loans, is not required to be licensed under this chapter in order to purchase or take assignments of mortgage loans from licensees under this chapter.

Sec. 2. [57.01] [SHORT TITLE.]

This chapter may be cited as the mortgage banker and mortgage broker act.

Sec. 3. [57.02] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For purposes of this chapter, the terms in this section have the meanings given them unless the context requires a different meaning.

Subd. 2. [AGRICULTURAL PROPERTY.] "Agricultural property" has the meaning given the term in section 583.22.

Subd. 3. [BORROWER.] "Borrower" means a natural person who has submitted an application for a loan to a mortgage banker.

Subd. 4. [BUSINESS.] "Business" means a commercial or industrial enterprise that is carried on for the purpose of active or passive investment or profit.

Subd. 5. [COMMISSIONER.] "Commissioner" means the commissioner of commerce.

Subd. 6. [AGREEMENT OR INTEREST RATE OR DISCOUNT POINT AGREEMENT.] "Agreement" or "interest rate or discount point agreement" means a contract between a mortgage banker and a borrower under which the mortgage banker agrees, subject to the mortgage banker's underwriting and approval requirements, to make a loan at a specified interest rate or number of discount points, or both, and the borrower agrees to make a loan on those terms. The term also includes an offer by a mortgage banker that is accepted by a borrower under which the mortgage banker promises to guarantee or lock in an interest rate or number of discount points, or both, for a specific period of time.

Subd. 7. [GENERAL MORTGAGE BROKER.] "General mortgage broker" means a person who directly or indirectly brokers, places, assists in placement, or finds mortgage loans for others or offers to broker, place, assist in placement, or find mortgage loans for others.

Subd. 8. [INDIVIDUAL MORTGAGE BROKER.] "Individual mortgage broker" means one who acts on behalf of a general mortgage loan broker with respect to brokering, placing, assisting in placement, or finding mortgage loans for others or offering or attempting to broker, place, assist in placement, or find mortgage loans for others.

Subd. 9. [MORTGAGE BANKER.] "Mortgage banker" means a person making a mortgage loan.

Subd. 10. [LOAN OFFICER.] (a) "Loan officer" means a person who acts or attempts to act on behalf of a mortgage banker with respect to soliciting or negotiating a mortgage loan with a borrower.

(b) The term includes (1) an officer or employee of a mortgage banker who is authorized to solicit or negotiate loans and who regularly solicits or negotiates loans, and (2) a person who is responsible for the day to day management of a branch office or offices of a mortgage banker.

Subd. 11. [MORTGAGE LOAN OR LOAN.] "Mortgage loan" or "loan" means a loan or advance of credit to individuals secured by a mortgage or other encumbrance upon real property containing one to four residential units or upon which at the time the loan is made it is intended that one to four residential units are to be constructed.

The term includes operating or real estate loans secured by agricultural property.

The term does not include a loan or advance of credit that is made primarily for a business or commercial purpose.

Subd. 12. [PERSON.] "Person" means an individual, firm, corporation, partnership, association, trust, or legal or commercial entity or group of individuals however organized.

Subd. 13. [PRINCIPAL STOCKHOLDER.] "Principal stockholder" means a person owning 20 percent or more of the outstanding stock of a general mortgage broker or mortgage banker.

Subd. 14. [REFERRAL FEE.] "Referral fee" means the direct or indirect giving or accepting of anything of value including, but not limited to, a payment, advance, fund, loan, service, commission, gift, special privilege, or other consideration made in connection with a mortgage loan application referred to a person, whether or not licensed under this chapter, while making or brokering a mortgage loan, or administering an escrow account.

Sec. 4. [57.03] [LICENSE REQUIREMENT.]

Subdivision 1. [GENERALLY.] No person shall engage in business as a mortgage banker, loan officer, general mortgage broker, or individual mortgage broker, unless the person has first obtained a license under this chapter.

Subd. 2. [EXEMPTIONS.] The following persons are exempt from the licensing requirements of this chapter:

(1) a person whose primary responsibility is to process loan applications unless the person is authorized to solicit or negotiate loans;

(2) persons making or negotiating five or fewer mortgage loans in a period of 12 consecutive months;

(3) banks, savings banks, savings associations, and credit unions organized under the laws of this state, and banks, savings banks, savings associations, and credit unions organized under the laws of the United States that have offices in this state from which deposits are accepted pursuant to the laws of this state or the United States, and their employees, provided, however, that subsidiaries and service corporations of these institutions

are not exempt from the requirements of this chapter;

(4) regulated lenders licensed under chapter 56, and industrial loan and thrift companies licensed under chapter 53;

(5) charitable corporations making mortgage loans to promote home ownership or improvements for the disadvantaged;

(6) agencies of the federal government, or a state government, or a quasi-governmental agency making mortgage loans under the specific authority of the laws of a state or the United States;

(7) persons acting as fiduciaries with respect to an employee pension benefit plan qualified under the Internal Revenue Code who make mortgage loans solely to plan participants from plan assets;

(8) persons licensed by the state of Minnesota as real estate brokers or salespersons who, in the course of representing a purchaser or seller of real estate, incidentally assist the purchaser or seller in obtaining financing for the real property in question if the licensee does not receive a separate commission, fee, or other valuable consideration including a referral fee for this service;

(9) an attorney authorized to practice law in this state, who incidentally acts as a mortgage broker in negotiating or placing a first mortgage loan in the normal course of legal practice if the attorney does not receive a separate commission, fee, or other valuable consideration for the service including a referral fee;

(10) persons acting in a fiduciary capacity conferred by authority of a court;

(11) employees of a mortgage banker who only solicit refinance loans, through the mail or by use of the telephone, from mortgagors whose loans the mortgage banker is servicing at the time of the solicitation if the persons making the solicitations are not residents of this state, and if the solicitations originate from outside this state; and

(12) a person who only negotiates assumptions, work outs, or conversions of existing loans.

Sec. 5. [57.04] [APPLICATIONS FOR MORTGAGE BANKER AND GENERAL MORTGAGE BROKER LICENSE.]

Subdivision 1. [FORM.] An application for a license under this section must be made in writing, and on a form approved by the commissioner.

Subd. 2. [CONTENTS.] The application for a mortgage banker and general mortgage broker must set forth:

(1) the name and address of the applicant;

(2) if the applicant is a firm or partnership, the name and address of each member of the firm or partnership;

(3) if the applicant is a corporation, the name and address of each officer, director, registered agent, and each principal stockholder;

(4) the addresses of all offices in Minnesota where business will be conducted by the applicant; and

(5) other information concerning the financial responsibility, background, experience, and activities of the applicant and its officers, directors, employees, and principal stockholders as the commissioner requires.

Subd. 3. [FINANCIAL RESPONSIBILITY FOR MORTGAGE BANKERS.] An applicant for a mortgage banker license shall:

(1) demonstrate evidence of approval or certification by the United States secretary of housing and urban development, other than as a loan correspondent mortgagee, or approval or certification of the Federal Home Loan Mortgage Corporation or the Federal National Mortgage Association;

(2) certify to the commissioner a bond in the amount of \$100,000, issued by an insurer authorized to transact business in this state, with the state of Minnesota as obligee, conditioned for the prompt payment to a person entitled to it, other than an officer, partner, or employee of the licensee, from loss resulting from fraud, dishonesty, forgery, or theft in connection with a residential mortgage loan transaction by the licensee or an officer, agent, or employee; provided, however, that the aggregate liability of the surety to all persons for all losses must in no event exceed the amount of the bond. The bond must remain operative for a period of time as long as the period for which the license is sought; or

(3) provide evidence of, and continuously maintain, a line of credit for the funding of mortgage loans, in an amount of not less than \$250,000 with: (i) a licensed mortgage banker; (ii) a lending institution whose deposits are insured by the Federal Savings and Loan Insurance Corporation or the Federal Deposit Insurance Corporation; or (iii) a person who is otherwise acceptable to the commissioner.

The requirement of a line of credit may be waived by the commissioner if all loans originated by the applicant are either: (i) closed in the name of a licensed mortgage banker or other financial institution or entity approved by the commissioner pursuant to an agreement between the mortgage banker or other financial institution and the applicant; or (ii) assigned, pursuant to an agreement, to a licensed mortgage banker or other financial institution or entity approved by the commissioner, simultaneous with the closing.

The applicant shall provide the commissioner with a copy of the agreement, which must state the circumstances under which the mortgage banker or financial institution shall be obligated to fund closings or purchase loans from the applicant. The licensee shall notify the commissioner of any modifications to the agreement.

Subd. 4. [EXPERIENCE.] An applicant for a mortgage banker license shall have at least one corporate officer with two years of mortgage origination experience within the previous four years. The experience requirement may be waived if the applicant is, in the opinion of the commissioner, otherwise qualified by reason of education or practical experience.

Sec. 6. [57.05] [APPLICATIONS FOR LOAN OFFICER AND INDIVIDUAL MORTGAGE BROKER LICENSE.]

The application for a loan officer and individual mortgage broker license must set forth: (1) the name and address of the applicant; and (2) other information concerning the financial responsibility, background, experience, and activities of the applicant as the commissioner requires.

Sec. 7. [57.06] [FEES.]

An application must be accompanied by the payment of the following fees:

(1) \$150 for each mortgage banker and general mortgage broker license, and \$30 for each annual renewal;

(2) \$50 for each loan officer and individual mortgage broker license, and \$15 for each annual renewal;

(3) \$10 for each transfer;

(4) \$25 for a corporation or partnership name change;

(5) \$5 for a name change;

(6) \$10 for a license history; and

(7) \$5 for a duplicate license.

All fees shall be retained by the commissioner and are nonreturnable, except that an overpayment of a fee shall be refunded upon proper application.

Sec. 8. [57.07] [EXAMINATIONS.]

Subdivision 1. [LOAN OFFICER AND INDIVIDUAL MORTGAGE BROKER.] *(a) An applicant for a loan officer and individual mortgage broker license must pass an examination conducted by the commissioner. The examination must be of sufficient scope to establish the competence of the applicant to act as a loan officer or individual mortgage broker.*

(b) The examination shall be conducted by the commissioner two months after a testing service has been certified by the commissioner, but not later than October 1, 1989.

Subd. 2. [EXAMINATION FREQUENCY.] *The commissioner shall not be required to hold examinations more frequently than once every 120 days. The examination may be held more frequently upon demand and as the commissioner considers reasonable.*

Subd. 3. [INSTRUCTION; NEW LICENSES.] *(a) An applicant for a loan officer and individual mortgage broker license shall be required to successfully complete a course of study in the mortgage banking field consisting of 45 hours of instruction approved by the commissioner before taking the examination specified in subdivision 1. A loan officer and individual mortgage broker licensed after October 1, 1989, shall, within one year of licensure, be required to successfully complete an additional course of study in the mortgage lending field consisting of 45 hours of instruction approved by the commissioner.*

(b) A person applying for a loan officer or individual mortgage broker license on or before October 1, 1989, who was employed by a mortgage banker or general mortgage broker on or before October 1, 1989, in a capacity that would require a loan officer license or individual mortgage broker license, shall not be required to satisfy the educational requirements of paragraph (a) before taking the examination. If the person applying for a license on or before October 1, 1989, fails the examination, the person is unlicensed. The commissioner may allow the person to continue to conduct business for 60 days from the date of the examination. If during the 60-day period the person reapplies for a license and passes the examination, the person may be licensed upon payment of the license fee.

(c) *The commissioner may approve courses of study offered in educational institutions of higher learning in this state, including degree programs, or courses of study developed by and offered under the auspices of national or state trade associations or private schools. The commissioner shall not approve any course offered by, sponsored by, or affiliated with any person or company otherwise licensed by the commissioner.*

(d) *The commissioner may waive the educational requirements of paragraph (a) for a person applying for a loan officer or individual mortgage broker license after October 1, 1989, who can demonstrate proficiency in mortgage banking.*

Subd. 4. [CONTINUING EDUCATION.] (a) *All loan officers and individual mortgage brokers shall be required to successfully complete 15 hours of education each renewal year, either as a student or a lecturer, in courses of study approved by the commissioner.*

(b) *A person applying for a loan officer or individual mortgage broker license as of October 1, 1989, shall not be required to satisfy the educational requirements of paragraph (a) until the second year after licensure.*

Sec. 9. [57.08] [LICENSE DURATION; TRANSFER RESTRICTIONS.]

(a) *Every license is issued annually under this chapter and expires on September 30 next following its issuance.*

(b) *A loan officer or individual mortgage broker shall be licensed to act on behalf of a licensed mortgage banker or general mortgage broker respectively and may not be licensed to act on behalf of more than one mortgage banker or general mortgage broker in this state during the same period of time.*

The commissioner shall establish the procedure for the transfer of a mortgage banker or general mortgage broker license because of a merger or acquisition.

(c) *When an individual mortgage broker or loan officer terminates activity on behalf of a general mortgage broker or mortgage banker in order to begin association immediately with another general mortgage broker or mortgage banker, the commissioner shall automatically transfer that person's license. The transfer is effective either upon the mailing of the required fee and the executed documents by mail or upon personal delivery of the fee and documents to the commissioner's office.*

(d) *A person who becomes unlicensed for reasons other than a revocation or suspension of a license may have the license reinstated without complying with the educational requirements of section 8, subdivision 3, if the person has been unlicensed for less than 24 months and reports 15 hours of continuing education credit for each year.*

Sec. 10. [57.09] [RENEWALS.]

(a) *Persons whose renewal applications have been properly and timely filed and who have not received notice of denial or a renewed license may continue to transact business whether or not the renewed license has been received on or before October 1. Application for renewal of a license is considered to have been timely filed if received by the commissioner, or mailed with proper postage and postmarked, by September 15 in each year. Applications for renewal are considered properly filed if made upon forms duly executed and containing information the commissioner requires.*

(b) The commissioner may require a licensee to file an annual report with the commissioner that sets forth the information and is in the form the commissioner requires regarding the business conducted by the licensee during the preceding calendar year.

Sec. 11. [57.10] [RETENTION OF BOOKS, ACCOUNTS, AND RECORDS.]

(a) Any person, whether or not licensed under this chapter, while making or brokering a loan or administering an escrow account shall maintain in its offices any books, accounts, and records the commissioner reasonably requires in order to determine whether the person is in compliance with this chapter and the rules adopted under it. The books, accounts, and records must be maintained separately from other business in which the mortgage banker, general mortgage broker, or escrow administrator is involved.

(b) Any person, whether or not licensed under this chapter, while making a mortgage loan shall retain for at least two years after settlement on a mortgage loan, copies of the note, settlement statement, truth-in-lending disclosure, and other papers or records relating to the loan as may be required by rule. Any person, whether or not licensed under this chapter, while brokering a mortgage loan shall retain for at least two years after a mortgage loan is made the original contract for the individual mortgage broker's compensation, a copy of the settlement statement, and an account of fees received in connection with the loan, and other papers or records as may be required by rule.

Sec. 12. [57.12] [PROHIBITED PRACTICES.]

Subdivision 1. [GENERALLY.] No person, whether or not licensed under this chapter, while making or brokering a mortgage loan or administering an escrow account shall:

(1) fill in or change the interest rate or number of discount points, or both, contained in an interest rate or discount point agreement after the interest rate or discount point agreement is executed by the parties;

(2) fail to reply within ten business days of receipt to all communications from a borrower about the borrower's loan that reasonably indicate that a response is requested or needed;

(3) if acting as a mortgage banker or loan officer, fail to require the person closing the mortgage loan to provide to the borrower prior to closing of the mortgage loan (i) a settlement statement, and (ii) a disclosure that conforms to that required by United States Code, title 15, section 1604, and Regulation Z, Code of Federal Regulations, title 12, part 226;

(4) in the conduct of affairs under the license, engage in deceptive, fraudulent, incompetent, or dishonest practices;

(5) charge an unreasonable fee;

(6) pay a referral fee;

(7) if directly or indirectly administering an escrow account:

(a) increase the amount of funds held in escrow by an amount that exceeds ten percent of the prior year's disbursements from the escrow account without having first provided the borrower with a written explanation specifically identifying the reasons for the increase;

(b) fail or cause a failure to make a payment for either or both insurance and taxes by the required due date. If the mortgage banker, loan officer, general mortgage broker, or individual mortgage broker fails to make or causes a failure to make the payments by the due date, that person is liable to the mortgagor for actual damages caused by the failure to pay the amounts when due. In addition, that person is liable for \$500 per occurrence if the person cannot prove that the failure to make or the action causing the failure to make the payments by the due date was not because of negligence or intentional conduct;

(c) fail to provide a borrower with an annual written analysis of an escrow account that is maintained by the mortgage banker for the payment of real property taxes or hazard insurance, including notice that the escrow account has a surplus or a shortage if one exists;

(8) induce a borrower or a third party to misrepresent information that is the subject of a loan application;

(9) require a borrower to purchase or renew any insurance policy from a designated carrier, agent, or agency, provided that a mortgage banker is not prohibited from: (i) disapproving an insurer or policy of insurance where there are reasonable grounds to believe that the insurer is insolvent or that the insurance is unsatisfactory as to placement with an unauthorized insurer, adequacy of the coverage, adequacy of the insurer to assume the risk to be insured, the assessment features to which the policy is subject, or other grounds that are based on the nature of the coverage and that are not arbitrary, unreasonable, or discriminatory; (ii) requiring that a policy of insurance or renewal thereof be in conformance with standards of the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation; or (iii) securing insurance or a renewal thereof at the request of a borrower or because of the failure of the borrower to furnish the necessary insurance or renewal thereof;

(10) require a borrower to obtain a policy of insurance covering the mortgaged property that exceeds the replacement cost of the buildings on the mortgaged property, provided that a mortgage banker is not prohibited from requiring that a policy of insurance or renewal thereof be in conformance with the standards of the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation;

(11) misrepresent the terms and conditions of the loan agreement;

(12) fail to notify the commissioner, in writing, of a change of information contained in the license application on file with the commissioner within ten business days of the change;

(13) in the application form, fail to disclose funds received or to be received, including but not limited to application fees, deposits, or charges made at the time of deposit, or the funds disbursed or to be disbursed and the purposes of the disbursement;

(14) fail to disburse funds in accordance with any agreement connected with, and promptly upon closing of, a mortgage loan, taking into account any applicable right of rescission;

(15) refuse to permit an investigation or examination by the commissioner or fail to comply with any order of the commissioner;

(16) fail to pay any fee, fine, or assessment imposed by the commissioner;

(17) use or cause to be published any advertisement that contains any false, misleading, or deceptive statement or representation;

(18) use or cause to be published any advertisement which contains any reference to the fact that the mortgage banker, loan officer, general mortgage broker, or individual mortgage broker is regulated or supervised by the commissioner;

(19) use or cause to be published any advertisement that identifies the mortgage banker, loan officer, general mortgage broker, or individual mortgage broker by any name other than the name on the license issued by the commissioner;

(20) fail reasonably to supervise licensees or employees to assure their compliance with this chapter;

(21) fail to deliver to a borrower, within 48 hours of a request from the borrower, an appraisal for which payment has been received by the mortgage banker or loan officer, in the event the borrower's loan application has failed to meet the mortgage banker's requirements for approval;

(22) upon receipt of an application for a mortgage loan, or at any time prior to receipt, fail to provide to the borrower an itemized list of the fees the borrower must pay at the time of application, and a statement of which fees will or will not be refunded if the application is withdrawn or denied. If there is more than one borrower, the information may be provided to one of them; or

(23) refuse to honor a written purchase agreement between the borrower and the seller relating to which party may lock in the interest rate or discount points.

Subd. 2. [GENERAL OR INDIVIDUAL MORTGAGE BROKERS.] No person, whether or not licensed under this chapter, while brokering a mortgage loan shall:

(1) except for documented out-of-pocket expenses paid or to be paid to third parties and which are necessary to obtain a loan commitment, receive compensation from a borrower until a written commitment to make a mortgage loan is given to the borrower by a mortgage banker or loan officer;

(2) fail to deposit in a trust account, within 48 hours of receipt, all fees received prior to the time a loan is actually funded. The trust account must be in a depository financial institution located within Minnesota;

(3) receive compensation from a borrower in connection with any mortgage loan transaction in which the general mortgage broker or individual mortgage broker is the mortgage banker, loan officer, or a principal stockholder, partner, trustee, director, or officer of the mortgage banker;

(4) receive compensation from the borrower other than that specified in a written agreement signed by the borrower; or

(5) receive compensation from the borrower for acting as a general mortgage broker or individual mortgage broker without first entering into a written contract with the borrower that:

(i) identifies the trust account into which the fees or consideration will be deposited;

(ii) sets forth the circumstances under which the general and individual

mortgage broker will be entitled to disbursement from the trust account;

(iii) sets forth the circumstances under which the borrower will be entitled to a refund of all or part of the fee;

(iv) specifically describes the services to be provided by the general and individual mortgage broker and the dates by which the services will be performed;

(v) states the maximum rate of interest to be charged on any loan obtained;

(vi) discloses, with respect to the 12-month period ending ten business days prior to the date of the contract in question, the percentage of the general mortgage broker's customers for whom loans have actually been funded as a result of the mortgage broker's services (this disclosure need not be made for any period before the effective date of this statute); and

(vii) discloses the cancellation rights and procedures in section 13.

Sec. 13. [57.13] [CANCELLATION.]

A customer of a general or individual mortgage broker who pays a fee before the time the loan is actually funded has an unconditioned right to rescind the contract for mortgage brokerage services at any time until midnight of the third business day after the day on which the contract is signed. Cancellation is evidenced by the customer giving written notice of cancellation to the general mortgage broker at the address stated in the contract. Notice of cancellation, if given by mail, is effective upon deposit in a mailbox properly addressed to the general mortgage broker with postage prepaid. Notice of cancellation need not take a particular form and is sufficient if it indicates by any form of written expression the intention of the customer not to be bound by the contract. No act of a customer of a general or individual mortgage broker is effective to waive the right to rescind as provided in this section.

Sec. 14. [57.14] [DENIAL, SUSPENSION, OR REVOCATION OF LICENSE.]

In addition to the powers granted in section 45.027, subdivision 7, the commissioner may deny, suspend, or revoke any mortgage banker's, general mortgage broker's, loan officer's, or individual mortgage broker's license issued under this chapter for:

(1) conviction of a felony or misdemeanor involving fraud, misrepresentation, or deceit;

(2) entry of a judgment against the mortgage banker, loan officer, general mortgage broker, or individual mortgage broker involving fraud, misrepresentation, or deceit;

(3) entry of a federal or state administrative order against the mortgage banker, loan officer, general mortgage broker, or individual mortgage broker for violation of any law or any regulation applicable to the conduct of the licensed business.

For the purposes of this section and section 45.027, acts of an officer, employee, director, partner, or principal stockholder are considered to be acts of the mortgage banker or mortgage broker.

Sec. 15. [57.15] [RIGHT TO USE THE TERM MORTGAGE BANKER, LOAN OFFICER, GENERAL MORTGAGE BROKER, OR INDIVIDUAL MORTGAGE BROKER.]

Subdivision 1. [RESTRICTION.] No persons making or brokering a mortgage loan or administering an escrow account, including persons exempt from the licensing requirements of this chapter, may advertise or represent themselves to be a mortgage banker, loan officer, general mortgage broker, or individual mortgage broker unless licensed as provided in this chapter or unless the person elects licensure pursuant to section 16 of this act.

Subd. 2. [PENALTY.] A person who willfully violates this section is guilty of a misdemeanor and may be fined not more than \$700 or imprisoned not more than 90 days, or both. Each act in violation of this section constitutes a separate offense and a prosecution or conviction for any violation of this section does not bar prosecution or conviction for another violation under this section.

Sec. 16. [57.16] [RIGHT OF FINANCIAL INSTITUTION TO ELECT LOAN OFFICER AND INDIVIDUAL MORTGAGE BROKER LICENSURE.]

(a) Notwithstanding the exemption provided in section 4, an exempt financial institution may elect licensing for its employees if each employee holds a loan officer or individual mortgage broker license and performs the functions defined in this chapter. Employees of exempt institutions who hold a loan officer's or individual mortgage broker's license shall comply with the requirements of this chapter as if they were licensed to a mortgage banker or general mortgage broker.

(b) A financial institution that elects licensing for its employees does not forfeit its right to the exemption provided in section 4 by virtue of the election.

Sec. 17. [57.17] [MORTGAGE BANKER AND GENERAL MORTGAGE BROKER; REPORT OF VIOLATIONS TO COMMISSIONER.]

A person, whether or not licensed under this chapter, while making or brokering a mortgage loan or administering an escrow account shall report a violation of this chapter by an employee to the commissioner. The report shall be made within a reasonable time after that person has knowledge of the violation. The commissioner shall prescribe the manner and form of the report. The making of a report of a violation to the commissioner shall not provide grounds for any action for libel, slander, or defamation by an employee against an employer, unless the employer knows that the report is false or acts with reckless disregard for the truth or falsity of the report.

A person who fails to report a violation is guilty of a misdemeanor and may be fined not more than \$700 or imprisoned not more than 90 days, or both. Each act in violation of this section constitutes a separate offense and a prosecution or conviction for any violation of this section does not bar prosecution or conviction for another violation under this section.

Sec. 18. [57.18] [RULES.]

The commissioner may adopt rules the commissioner considers appropriate to administer this chapter.

Sec. 19. Minnesota Statutes 1987 Supplement, section 82.17, subdivision 4, is amended to read:

Subd. 4. "Real estate broker" or "broker" means any person who:

(a) for another and for commission, fee or other valuable consideration or with the intention or expectation of receiving the same directly or indirectly lists, sells, exchanges, buys or rents, manages, or offers or attempts to negotiate a sale, option, exchange, purchase or rental of an interest or estate in real estate, or advertises or holds out as engaged in these activities;

~~(b) for another and for commission, fee or other valuable consideration or with the intention or expectation of receiving the same directly or indirectly negotiates or offers or attempts to negotiate a loan, secured or to be secured by a mortgage or other encumbrance on real estate;~~

(e) for another and for commission, fee or other valuable consideration or with the intention or expectation of receiving the same directly or indirectly lists, sells, exchanges, buys, rents, manages, offers or attempts to negotiate a sale, option, exchange, purchase or rental of any business opportunity or business, or its good will, inventory, or fixtures, or any interest therein;

~~(d) (c) for another and for commission, fee or other valuable consideration or with the intention or expectation of receiving the same directly or indirectly offers, sells or attempts to negotiate the sale of property that is subject to the registration requirements of chapter 83, concerning subdivided land;~~

~~(e) (d) engages in the business of charging an advance fee or contracting for collection of a fee in connection with any contract whereby the person undertakes to promote the sale of real estate through its listing in a publication issued primarily for this purpose;~~

(f) (e) engages wholly or in part in the business of selling real estate to the extent that a pattern of real estate sales is established, whether or not the real estate is owned by the person. A person shall be presumed to be engaged in the business of selling real estate if the person engages as principal in five or more transactions during any 12-month period, unless the person is represented by a licensed real estate broker or salesperson;

~~(g) offers or makes more than five loans secured by real estate during any 12-month period and who is not a bank, savings bank, mutual savings bank, building and loan association, or savings and loan association organized under the laws of this state or the United States, trust company, trust company acting as a fiduciary, or other financial institution subject to the supervision of the commissioner of commerce, or mortgagee or lender approved or certified by the secretary of housing and urban development or approved or certified by the administrator of veterans affairs, or approved or certified by the administrator of the Farmers Home Administration, or approved or certified by the Federal Home Loan Mortgage Corporation, or approved or certified by the Federal National Mortgage Association.~~

Sec. 20. Minnesota Statutes 1986, section 82.18, is amended to read:

82.18 [EXCEPTIONS.]

Unless a person is licensed or otherwise required to be licensed under this chapter, the term real estate broker does not include:

(a) a licensed practicing attorney acting solely as an incident to the practice of law if the attorney complies in all respects with the trust account provisions of this chapter;

(b) a receiver, trustee, administrator, guardian, executor, or other person appointed by or acting under the judgment or order of any court;

(c) any person owning and operating a cemetery and selling lots therein solely for use as burial plots;

(d) any custodian, janitor, or employee of the owner or manager of a residential building who leases residential units in the building;

(e) any bank, trust company, savings and loan association, industrial loan and thrift company, regulated lender under chapter 56, public utility, or land mortgage or farm loan association organized under the laws of this state or the United States, when engaged in the transaction of business within the scope of its corporate powers as provided by law;

(f) public officers while performing their official duties;

(g) employees of persons enumerated in clauses (b), (e) and (f), when engaged in the specific performance of their duties;

(h) any person who acts as an auctioneer bonded in conformity with section 330.02, when that person is engaged in the specific performance of duties as an auctioneer, and when that person has been employed to auction real estate by a person licensed under this chapter or when the auctioneer has engaged a licensed attorney to supervise the real estate transaction;

(i) any person who acquires real estate for the purpose of engaging in and does engage in, or who is engaged in the business of constructing residential, commercial or industrial buildings for the purpose of resale if no more than 25 such transactions occur in any 12-month period and the person complies with section 82.24;

(j) any person who offers to sell or sells an interest or estate in real estate which is a security registered pursuant to chapter 80A, when acting solely as an incident to the sale of these securities;

(k) any person who offers to sell or sells a business opportunity which is a franchise registered pursuant to chapter 80C, when acting solely to sell the franchise;

(l) any person who contracts with or solicits on behalf of a provider a contract with a resident or prospective resident to provide continuing care in a facility, pursuant to the Continuing Care Facility Disclosure and Rehabilitation Act (chapter 80D), when acting solely as incident to the contract;

(m) any broker-dealer or agent of a broker-dealer when participating in a transaction in which all or part of a business opportunity or business, including any interest therein, is conveyed or acquired pursuant to an asset purchase, merger, exchange of securities or other business combination, if the agent or broker-dealer is licensed pursuant to chapter 80A; and

(n) any mortgage banker, loan officer, or mortgage broker or individual mortgage broker licensed under sections 2 to 18 while engaged in the activities for which the license is required.

Sec. 21. [APPROPRIATION.]

\$100,000 is appropriated from the general fund to the commissioner of commerce for the purposes of administering sections 2 to 18 and is available until June 30, 1989. The approved complement of the department of commerce is increased by three positions.

Sec. 22. [REPEALER.]

Minnesota Statutes 1987 Supplement, sections 47.206, subdivision 6; and 82.175, are repealed.

Sec. 23. [EFFECTIVE DATE; APPLICABILITY.]

Sections 1 to 22 are effective the day following final enactment. Nothing in those sections requires a mortgage banker or general mortgage broker to be licensed before October 1, 1988, or a loan officer or individual mortgage broker to be licensed sooner than they would otherwise be required under section 8, subdivision 1, paragraph (b)."

Delete the title and insert:

"A bill for an act relating to financial institutions; regulating the business of mortgage bankers, loan officers, general mortgage brokers, and individual mortgage brokers; establishing licensing requirements; detailing the supervising powers of the commissioner; prohibiting certain practices; prescribing penalties; appropriating money; amending Minnesota Statutes 1986, sections 56.01; and 82.18; Minnesota Statutes 1987 Supplement, section 82.17, subdivision 4; proposing coding for new law as Minnesota Statutes, chapter 57; repealing Minnesota Statutes 1987 Supplement, sections 47.206, subdivision 6; and 82.175."

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

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

S.F. No. 2358: A bill for an act relating to highways; naming and designating legislative trunk highway No. 299 as Olof Hanson Drive; amending Minnesota Statutes 1986, section 161.14, by adding a subdivision.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 2471: A bill for an act relating to intoxicating liquor; authorizing the city of Bloomington to issue an on-sale intoxicating liquor license to Midsummer, A Festival of Music.

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

Mr. Dicklich from the Committee on Public Utilities and Energy, to which was referred

S.F. No. 2456: A bill for an act relating to energy; creating a legislative advisory task force on energy policies for low-income persons and providing for the duties of the task force.

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

Mr. Dicklich from the Committee on Public Utilities and Energy, to which was referred

S.F. No. 1834: A bill for an act relating to utilities; prohibiting water utilities from imposing additional standby charges on owners of structures

containing fire protection systems; proposing coding for new law in Minnesota Statutes, chapter 444.

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

Page 1, line 26, after the period, insert "*Nothing in this section prohibits a water utility from recovering the cost of supplying water to an area when the cost is spread proportionately among all the structures in the benefitted area.*"

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

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 1632: A bill for an act relating to the metropolitan area; authorizing coordinated erosion and sediment control programs by water management organizations and the Association of Metropolitan Soil and Water Conservation Districts.

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

Delete everything after the enacting clause and insert:

"Section 1. [LEGISLATIVE FINDINGS.]

The legislature finds that the lands and waters of Ramsey county are great natural resources; that as a result of erosion of lands and sediment deposition in waters of the region, waters are being polluted and despoiled to a degree that fish, aquatic life, recreation, and other uses of lands and waters are being adversely affected; that the rapid shift in land use from agricultural to nonagricultural uses has accelerated the processes of soil erosion and sedimentation. Implementation of the metropolitan surface water planning act in Ramsey county requires a coordinated effort in that county, and the state of Minnesota may benefit from a pilot program within that county. The legislature further finds it is necessary to establish and implement through the soil and water conservation district in cooperation with water management organizations, cities, towns, and other public and private entities in that county, a county-wide coordinated erosion and sediment control pilot program to conserve and to protect the land, water, and other natural resources of Ramsey county.

Sec. 2. [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 1 to 4.

Subd. 2. [CONSERVATION SPECIFICATIONS.] "Conservation specifications" means the management procedures, techniques, and methods to control soil erosion and sedimentation as officially adopted by the district board.

Subd. 3. [DISTRICT.] "District" means the soil and water conservation district operating under Minnesota Statutes, chapter 40.

Subd. 4. [DISTRICT PROGRAM.] "District program" means the erosion and sediment control program adopted by the district consisting of conservation specifications to minimize erosion and sedimentation and a

model ordinance for adoption by the district.

Subd. 5. [LAND DISTURBANCE ACTIVITY.] "Land disturbance activity" means land change that may result in soil erosion from water or wind and the movement of sediments into or upon waters or lands of Ramsey county, including clearing, grading, excavating, transporting, and filling of land. Land disturbance activity does not mean:

(1) minor land disturbance activities such as home gardens and individual home landscaping, repairs, and maintenance work;

(2) construction, installation, maintenance of electric and telephone utility lines or individual service connection to the utility lines;

(3) septic tank lines or drainage fields unless included in an overall plan for a land disturbance activity relating to construction of a building to be served by the septic tank system;

(4) tilling, planting, or harvesting of agricultural, horticultural, or silvicultural crops;

(5) preparation for single-family residences separately built, unless in conjunction with multiple construction in subdivision development;

(6) disturbed land areas for commercial or noncommercial uses of less than 10,000 square feet in size, except that the governing body of the statutory or home rule charter city, town, or organization may reduce this exception to a smaller area of disturbed land or qualify the conditions under which this exception applies;

(7) installation of fence, sign, telephone, and electric poles and other kinds of posts or poles; and

(8) emergency work to protect life, limb, or property and emergency repairs, except if the land disturbing activity would have required an approved erosion and sediment control plan except for the emergency, then the land area disturbed shall be shaped and stabilized in accordance with the requirement of the local plan-approving authority or the district when applicable.

Subd. 6. [ORGANIZATION.] "Organization" means a watershed district established under Minnesota Statutes, chapter 112, or a joint powers entity under Minnesota Statutes, section 471.59, within Ramsey county that has the characteristics and the authority specified in Minnesota Statutes, section 473.877, and has more than 25 percent of its area within Ramsey county. Lake improvement or conservation districts are not watershed management organizations.

Subd. 7. [ORGANIZATION SOIL EROSION AND SEDIMENT CONTROL PROGRAM.] "Organization soil erosion and sediment control program" means the soil erosion and sediment control program of the organization. The program must set forth the elements or methods to be employed by a watershed management organization to regulate land disturbance activities to minimize erosion and sedimentation in compliance with the program.

Sec. 3. [EROSION AND SEDIMENT CONTROL PROGRAM.]

Subdivision 1. [ESTABLISHMENT.] The district shall develop a pilot program that contains a model ordinance and conservation specifications for the effective control of soil erosion and sediment deposition that must

be met in an organization soil erosion and sediment control program. To assist in the development of the pilot program, the district shall seek the advice of appropriate state and federal agencies, local units of government, and representatives of interests such as residential development and non-residential development.

Subd. 2. [PROGRAM CONTENTS.] The district pilot program shall contain:

(1) relevant physical and developmental information concerning the region, including data relating to land use, soils, hydrology, geology, size of land area being disturbed, proximate water bodies and their characteristics, transportation, and public facilities and services;

(2) a model ordinance;

(3) principles for protecting existing vegetation, adequate revegetation schedules, and run-off control measures; and

(4) conservation specifications and alternative methods for the control of erosion and sediment resulting from land disturbance activities.

Subd. 3. [PROGRAM IMPLEMENTATION.] To implement the district pilot program, the district shall develop and adopt by January 1989 a model ordinance and conservation specifications for soil erosion and sediment control. The district may revise its pilot program as necessary. The district shall give due notice and conduct at least one public hearing on the proposed pilot program before addition or revision.

Subd. 4. [INSPECTION OF PROGRAM.] The program shall be made available for public inspection at the office of the district.

Sec. 4. [ORGANIZATION SOIL EROSION AND SEDIMENT CONTROL PROGRAMS.]

Subdivision 1. [ADOPTION.] Each organization in the district must, within nine months after the adoption of the district program, develop and adopt an organization soil erosion and sediment control program consistent with the district program. Upon written request of an organization, the district shall assist in the preparation of the organization program. The organization shall adopt an organization soil erosion and sediment control program as approved by the district.

Subd. 2. [FAILURE TO ADOPT AN ORGANIZATION PROGRAM.] If an organization fails to adopt an organization soil erosion and sediment control program within the required period, the board of water and soil resources may not approve the watershed plan prepared under Minnesota Statutes, chapter 473. For currently approved plans, an amendment shall be submitted to the board of water and soil resources within one year for approval. If the amendment is not submitted, plan approval must be withdrawn.

Subd. 3. [HEARING REQUIREMENT.] (a) Notwithstanding any other provision of sections 1 to 4, organizations that have adopted local erosion and sediment control programs are not required to conduct public hearings to amend their local programs to conform with the district program except as provided in paragraph (b).

(b) Organizations that choose to adopt conservation specifications or an ordinance that are more stringent than the district program must conduct a public hearing after due notice.

Sec. 5. [RULES.]

Any rules promulgated by the board of water and soil resources pursuant to statute shall supersede any plans, rules, or ordinances enacted pursuant to this section to the extent they may be in conflict.

Sec. 6. [APPLICABILITY.]

This act applies in Ramsey county and is effective upon approval by the Ramsey county board and soil and water conservation district as provided in Minnesota Statutes, section 645.02."

Delete the title and insert:

"A bill for an act relating to Ramsey County; authorizing a coordinated erosion and sediment control pilot program."

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

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 2355: A bill for an act relating to the city of Bloomington; authorizing the city to expend and loan public funds for flood mitigation measures to protect residential structures.

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

Page 1, line 21, delete "city" and insert "cities" and after "Bloomington" insert "and West St. Paul"

Page 2, line 1, delete "city" and insert "cities" and after "Bloomington" insert "and West St. Paul"

Page 2, line 4, after "effect" insert "for the city of Bloomington"

Page 2, line 6, after the period, insert "This act takes effect for the city of West St. Paul the day following compliance with Minnesota Statutes, section 645.021, subdivision 3, by the West St. Paul city council."

Amend the title as follows:

Page 1, line 2, delete "city" and insert "cities" and after "Bloomington" insert "and West St. Paul"

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

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 2411: A bill for an act relating to local government; authorizing issuance of bonds for repair, restoration, and modernization of the Saint Paul City Hall and Ramsey County Courthouse building.

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

Page 1, line 10, delete "\$48,400,000" and insert "\$48,800,000"

Page 2, line 2, after the second comma, insert "expansion,"

Page 2, after line 10, insert:

“Sec. 3. [ASSUMPTION OF DEBT.]

Ramsey county is authorized to assume all remaining debt service on bonds issued by the city of St. Paul for construction of St. Paul-Ramsey Medical Center under Laws 1957, chapter 938, section 6. The obligation authorized to be assumed under this section is not subject to election requirements nor to the debt or tax levy limitations applicable to the county and shall not be considered in calculating amounts subject to any other debt or tax levy limitations. Any levies by the county for debt servicing payment for the retirement of these bonds shall be exempt from all tax levy limitations applicable to the county.”

Re-number the sections in sequence

Amend the title as follows:

Page 1, line 3, after the second comma, insert “expansion,”

Page 1, line 5, before the period, insert “; authorizing Ramsey county to assume certain bonded indebtedness”

And when so amended the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Amendments adopted. Report adopted.

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 2308: A bill for an act relating to environment; repealing the requirement for installation of aircraft noise suppression equipment at the Minneapolis-St. Paul International Airport; repealing Minnesota Statutes 1986, section 473.608, subdivision 20.

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

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 2149: A bill for an act relating to local government; increasing the maximum amount of capital notes home rule charter cities may issue for capital equipment; amending Minnesota Statutes 1986, section 410.32.

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

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 1885: A bill for an act relating to commerce; motor fuel franchises; regulating certain building alterations; providing remedies; amending Minnesota Statutes 1986, section 80C.146, subdivisions 2 and 3; repealing Laws 1984, chapter 444, section 4, as amended by Laws 1986, chapter 343, section 1.

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

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1986, section 80C.146, subdivision 2,

is amended to read:

Subd. 2. [BUILDING ALTERATIONS.] ~~No motor fuel franchisor shall alter a full-service station building for the purpose of eliminating the service bays unless the motor fuel franchisee operating the full-service station consents in writing to the alterations.~~ (a) A motor fuel franchise agreement entered into or renewed, extended, or modified, after the effective date of this section, must comply with this subdivision if it allows the franchisor to modify, remodel, or alter a full-service station operated by a franchisee by eliminating one or more service bays. The agreement must provide that if the motor fuel franchisor eliminates one or more service bays during the term of the agreement, the franchisor must first pay to the franchisee in cash an amount that fairly and adequately compensates the franchisee for the loss of the service and repair business. The amount of compensation must be determined without regard to:

(1) the income or loss the franchisee may realize as a result of any subsequent or replacement business the franchisee may be entitled to operate on the premises leased from the motor fuel franchisor; or

(2) the income or loss the franchisee may realize by relocating the franchisee service and repair business or by acquiring another service and repair business.

(b) The commissioner shall require inclusion of the provision specified in paragraph (a) in the franchise agreement as a condition of registration of the agreement. An agreement subject to this subdivision that does not contain the provision is deemed to contain the provision. The provision may not be waived or modified except in a writing signed by the franchisee that is executed at least 30 days after the execution of the franchise agreement, is separate and independent from the franchise agreement, and is based upon adequate consideration. Adequate consideration may include, without limitation, an agreement to purchase the entire business operated by the franchisee or an agreement to provide equivalent repair facilities for use by the franchisee.

(c) If the franchisor and the franchisee are unable to agree on the amount of compensation, and either the franchisor or the franchisee demands arbitration, the matter must be submitted to binding arbitration in accordance with sections 572.08 to 572.30 and the rules of the American Arbitration Association. Within 30 days after the demand for arbitration, the franchisor and the franchisee shall each select an arbitrator. The two arbitrators shall select a third arbitrator within 45 days after the demand for arbitration. The franchisor and the franchisee shall pay the fees and expenses of the arbitrator each selects, and the franchisor and franchisee shall share equally the fees and expenses of the third arbitrator.

(d) Nothing in this subdivision prohibits a motor fuel franchisor from altering, modifying, or remodeling a full-service station that is not operated by a, without payment to the franchisee, following the expiration of the franchise relationship based upon termination or nonrenewal of the franchise relationship in accordance with United States Code, title 15, section 2802(b)(3)(D).

Sec. 2. Minnesota Statutes 1986, section 80C.146, subdivision 3, is amended to read:

Subd. 3. [ENFORCEMENT.] The attorney general or any aggrieved party may institute a civil action in the district court for an injunction prohibiting

any violation of subdivision 2 and an award of costs, disbursements, and reasonable attorney's fees. It shall be no defense to such an action that the state or aggrieved party may have adequate remedies at law.

Sec. 3. [REPEALER.]

Laws 1984, chapter 444, section 4, as amended by Laws 1986, chapter 343, section 1, is repealed.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 to 3 are effective the day following final enactment."

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

Mrs. Lantry from the Committee on General Legislation and Public Gaming, to which was referred

S.F. No. 1661: A bill for an act relating to charitable gambling; changing the definition of lawful purpose expenditures; amending Minnesota Statutes 1987 Supplement, section 349.12, subdivision 11.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1987 Supplement, section 349.12, subdivision 11, is amended to read:

Subd. 11. "Lawful purpose" means one or more of the following: (a) benefiting persons by enhancing their opportunity for religious or educational advancement, by relieving or protecting them from disease, suffering or distress, by contributing to their physical well-being, by assisting them in establishing themselves in life as worthy and useful citizens, or by increasing their comprehension of and devotion to the principles upon which this nation was founded; (b) initiating, performing, or fostering worthy public works or enabling or furthering the erection or maintenance of public structures; (c) lessening the burdens borne by government or voluntarily supporting, augmenting or supplementing services which government would normally render to the people; or (d) the improving, expanding, maintaining or repairing real property owned or leased by an organization that does not exceed \$10,000 in a calendar year; or (e) payment of taxes imposed under this chapter, and other taxes imposed by the state or the United States on receipts from lawful gambling.

"Lawful purpose" does not include the erection or acquisition, improvement, or expansion of any real property owned or leased by the organization, unless the board specifically authorizes the expenditures after finding that the property will be used exclusively predominantly for one or more of the purposes specified in this clause clauses (a) to (c), or the property is or will be used predominantly for the purposes of conducting lawful gambling, meetings, or social events. The board may by rule adopt procedures and standards to administer this subdivision.

Sec. 2. Minnesota Statutes 1987 Supplement, section 349.12, subdivision 12, is amended to read:

Subd. 12. "Organization" means any fraternal, religious, veterans, or other nonprofit organization which has been in existence for at least three

years and has at least 15 active members, or a bona fide affiliate or chapter of a national organization that is tax-exempt under section 501(c) of the Internal Revenue Code of 1986, as amended through December 31, 1987.

Sec. 3. Minnesota Statutes 1987 Supplement, section 349.15, is amended to read:

349.15 [USE OF PROFITS.]

(a) Profits from lawful gambling may be expended only for lawful purposes or expenses as authorized at a regular meeting of the conducting organization. *Except as provided that in this section, an organization may expend no more than 55 percent of profits from bingo, and no more than 45 percent for other forms of lawful gambling, may be expended for necessary expenses related to lawful gambling.*

(b) *An organization that has less than \$60,000 in profit from lawful gambling in a year may expend up to 70 percent of its profits for allowable expenses related to the lawful gambling if the organization expends no more than \$1,000 a month in compensation for persons to operate the lawful gambling and expends no more than \$400 a month for renting the premises where lawful gambling is conducted.*

(c) The board shall provide by rule for the administration of this section, including specifying allowable expenses. The rules must specify that no more than one-third of the annual premium on a policy of liability insurance procured by the organization may be taken as an allowable expense from the gross receipts from lawful gambling. This expense shall be allowed by the board only to the extent that it relates directly to the conduct of lawful gambling and is verified in the manner the board prescribes by rule. The rules may provide a maximum percentage of gross receipts which may be expended for certain expenses.

Sec. 4. [349.164] [BINGO HALL LICENSES.]

Subdivision 1. [LICENSE REQUIRED.] No person may lease a facility to more than one licensed organization to conduct bingo without having obtained a bingo hall license under this section, unless the person is a licensed organization.

Subd. 2. [LICENSE APPLICATION.] The board may issue a bingo hall license to persons who meet the qualifications of this section if the board determines that a license is consistent with the purpose of sections 349.11 to 349.22. Applications must be on a form the board prescribes.

Subd. 3. [QUALIFICATIONS.] A license may not be issued under this section to a person, or to a corporation, firm, or partnership which has as an officer, director, or other person in a supervisory or management position, who:

(1) has been convicted of a felony in a state or federal court within the past five years or who has a felony charge pending; or

(2) has been convicted in a state or federal court of a gambling-related offense within ten years of the date of license application.

Subd. 4. [FEES.] The annual fee for a bingo hall license is \$250.

Subd. 5. [CRIMINAL HISTORY.] The board may request the assistance of the bureau of criminal apprehension in investigating the background of

an applicant for a bingo hall license and may reimburse the bureau for the costs. The board has access to all criminal history data compiled by the bureau on licensees and applicants.

Subd. 6. [PROHIBITION.] No bingo hall licensee may also be a licensed distributor or registered manufacturer or affiliate of the distributor or manufacturer under section 349.161 or 349.163.

Subd. 7. [RESTRICTIONS.] A bingo hall licensee or affiliate of the licensee may not:

(1) provide any staff to conduct bingo or any other form of lawful gambling during the bingo occasion;

(2) acquire, provide storage or inventory control, or report the use of any gambling equipment used by an organization that conducts bingo on the premises;

(3) provide accounting services to an organization conducting bingo on the premises;

(4) make any expenditures of gross receipts of an organization from lawful gambling; or

(5) charge any admission fee for entering the premises where the bingo occasion will be held.

Subd. 8. [LEASES.] All of the remuneration to be received from the organization for the conduct of lawful gambling must be stated in the lease. No amount may be paid by the organization or received by the operator of the bingo hall based on the number of participants attending the bingo occasion or on the gross receipts or profit received by the organization.

Subd. 9. [REVOCATION AND SUSPENSION.] A license under this section may be suspended by the board for a violation of law or board rule or for failure to meet the qualifications in subdivision 3 at any time or revoked for what the board determines to be a pattern of willful violations of law or board rule. A revocation or suspension is a contested case under sections 14.57 to 14.69 of the administrative procedure act.

Sec. 5. Minnesota Statutes 1987 Supplement, section 349.17, subdivision 1, is amended to read:

Subdivision 1. [BINGO OCCASIONS.] Not more than six bingo occasions each week may be conducted by an organization. At least 15 bingo games must be held at each occasion and a bingo occasion may not must continue for at least one and one-half hours but not more than four consecutive hours.

Sec. 6. Minnesota Statutes 1987 Supplement, section 349.17, subdivision 2, is amended to read:

Subd. 2. [BINGO ON LEASED PREMISES.] (a) A person or corporation, other than an organization, which leases any premises that it owns to two or more organizations for purposes including the conduct of bingo occasions, may not allow more than 18 bingo occasions to be conducted on the premises in any week.

(b) If an organization conducts bingo on premises it does not own, the organization must provide the board with the name of the owner and lessor of the premises, copies of all agreements between the organization and the owner or lessor, and the names of employees of the owner or lessor who

will be responsible for the premises during the bingo occasion held by the organization.

(c) During any bingo occasion held by an organization on premises it does not own, the organization shall be directly responsible for the:

- (1) staffing of the bingo occasion;*
- (2) conducting of lawful gambling during the bingo occasion;*
- (3) acquiring, storage, inventory control, and reporting of all gambling equipment used by the organization; and*
- (4) receipt, accounting, and all expenditures of gross receipts from lawful gambling.*

Sec. 7. Minnesota Statutes 1986, section 349.19, subdivision 1, is amended to read:

Subdivision 1. [REQUIRED RECORD OF RECEIPTS.] A licensed organization must keep a record of each occasion on which it conducts gambling, including each bingo occasion and each day on which other forms of lawful gambling are conducted. The record must include gross receipts, quantities of free plays if any, expenses, and profits. The board may by rule provide for the methods by which expenses are documented. *Gross receipts for bingo include any amount received by the organization which has been paid by a person at the bingo occasion to play the game, without which the player could not play the game.* In the case of bingo, gross receipts must be compared to the checkers' records for the occasion by a person who did not sell cards for the occasion. Separate records must be kept for bingo and all other forms of lawful gambling.

Sec. 8. Minnesota Statutes 1986, section 349.211, subdivision 1, is amended to read:

Subdivision 1. [BINGO.] *Except as provided by this subdivision, prizes for a single bingo game may not exceed \$100 except prizes for a cover-all game, which may exceed \$100 if the aggregate value of all cover-all prizes in a bingo occasion does not exceed \$500. \$500 and total prizes awarded at a bingo occasion may not exceed \$2,500, unless a cover-all game is played in which case the limit is \$3,000. For purposes of this subdivision, a cover-all game is one in which a player must cover all spaces except a single free space to win. An organization may award a prize between \$500 and \$1,000 on one game per occasion up to 14 times per calendar year.*

Sec. 9. [REPEALER.]

Minnesota Statutes 1986, section 349.211, subdivision 2, is repealed.

Sec. 10. [EFFECTIVE DATE.]

Section 3 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to charitable gambling; changing the definition of lawful purpose expenditures; clarifying the definition of organization; increasing the percentage of profit that may be used for expenses for certain organizations; licensing bingo halls; changing the definition of bingo occasion; requiring organizations to be directly responsible for the conducting of bingo; changing the definition of gross receipts for the purposes of bingo; changing the prize limits for bingo; amending Minnesota Statutes

1986, sections 349.19, subdivision 1; 349.211, subdivision 1; Minnesota Statutes 1987 Supplement, sections 349.12, subdivisions 11 and 12; 349.15; 349.17, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 349; repealing Minnesota Statutes 1986, section 349.211, subdivision 2."

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

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

S.F. No. 1940: A bill for an act relating to transportation; excluding certain publicly owned transit buses from certain definitions of school bus; amending Minnesota Statutes 1986, sections 169.01, subdivision 6; and 171.01, subdivision 21.

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

Delete everything after the enacting clause and insert:

"Section 1. [DULUTH TRANSIT BUSES ARE NOT SCHOOL BUSES.]

Notwithstanding Minnesota Statutes, sections 169.01, subdivision 6, and 171.01, subdivision 21, the Duluth transit authority may transport children to or from a school, or to or from school-related activities within the city of Duluth, on fixed routes and schedules or under an agreement with independent school district No. 709, in a publicly owned transit bus; and when the authority does so, the bus is not a school bus."

Delete the title and insert:

"A bill for an act relating to transportation; excluding certain publicly owned transit buses in Duluth from certain definitions of school bus."

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

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

S.F. No. 2089: A bill for an act relating to metropolitan government; regulating financing and duties of the regional transit board; amending Minnesota Statutes 1986, section 473.39, as amended; and Minnesota Statutes 1987 Supplement, section 473.446; subdivision 1; repealing Minnesota Statutes 1987 Supplement, sections 473.393 and 473.398.

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

Page 1, after line 9, insert:

"Section 1. Minnesota Statutes 1986, section 473.375, subdivision 8, is amended to read:

Subd. 8. [GIFTS; GRANTS.] The board may apply for, accept and disburse gifts, grants, or loans from the United States, the state, or from any person on behalf of itself or any of its contract recipients, for any of its purposes. It may enter into an agreement required for the gifts, grants, or loans and may hold, use, and dispose of money or property received therefrom according to the terms of the gift, grant, or loan. ~~When the board has adopted an approved implementation plan and has certified to the governor~~

that it is ready to receive federal funds, the governor shall take whatever steps are necessary to designate The board as may be a recipient of federal transit assistance for the metropolitan area except that the metropolitan transit commission is the recipient for federal operating and capital assistance designated for use by the commission.

No political subdivision within the metropolitan area may apply for federal transit assistance unless its application has been submitted to and approved by the board."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, delete "section" and insert "sections 473.375, subdivision 8; and"

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

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

S.F. No. 1932: A bill for an act relating to transportation; exempting private carriers from certain hazardous materials regulations; amending Minnesota Statutes 1986, section 221.033, subdivision 2.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 221.033, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENTS.] Except as provided in subdivisions 2 and 3 to 4, no person may transport or have transported or shipped within the state of Minnesota a hazardous material, hazardous substance, or hazardous waste except in compliance with United States Code, title 49, sections 1801 to 1811 and the provisions of Code of Federal Regulations, title 49, sections 171 to 199.

Sec. 2. Minnesota Statutes 1986, section 221.033, is amended by adding a subdivision to read:

Subd. 4. [EXCEPTION.] A private carrier transporting gasoline, diesel fuel, or aviation fuel in a tank, that is securely mounted on a motor vehicle owned by the private carrier and has a capacity not exceeding 1,000 gallons, for use in fueling equipment owned and used by the private carrier in an agriculture-related business, is not subject to the requirements of the Code of Federal Regulations, title 49, sections 173.33(a), 173.119(a)(17), 178.340, 178.341, and 391.11(b)(1). This exception applies only to private carriers engaged in intrastate commerce."

Delete the title and insert:

"A bill for an act relating to transportation; exempting certain private carriers of fuel for use in agriculture-related businesses from certain hazardous materials regulations; amending Minnesota Statutes 1986, section 221.033, subdivision 1, and by adding a subdivision."

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

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

S.F. No. 1908: A bill for an act relating to motor vehicles; extending time for dealers to transfer motor vehicle title certificate; amending Minnesota Statutes 1986, section 168A.04, subdivision 2.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 15, after "15" insert "working"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Chmielewski from the Committee on Employment, to which was referred

S.F. No. 2427: A bill for an act relating to vocational rehabilitation; regulating community based employment program services; appropriating money; amending Minnesota Statutes 1987 Supplement, section 129A.08, by adding a subdivision.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Mr. Bertram from the Committee on Veterans, to which was referred

S.F. No. 1463: A bill for an act relating to veterans; requiring the commissioner of veterans affairs to establish a veterans outreach center; authorizing the commissioner to establish a veterans home; providing for the operation of the center and home; appropriating money; proposing coding for new law in Minnesota Statutes, chapters 196 and 198.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 15, after "commissioner" insert ", in conjunction with area county veterans service officers,"

Page 1, line 27, before the semicolon, insert ". The director of the veterans outreach center in Sioux Falls, South Dakota, on the effective date of this act, shall be transferred by the commissioner to the southwestern Minnesota veterans outreach center and be designated director of the center"

Page 2, line 23, delete "2" and insert "3"

Page 2, after line 28, insert:

"Sec. 2. [198.056] [BOARD OF DIRECTORS; SOUTHWESTERN MINNESOTA VETERANS HOME.]

Subdivision 1. [CREATION.] There is created in the department of veterans affairs a board of directors of the southwestern Minnesota veterans home. The board consists of nine members appointed by the commissioner.

Subd. 2. [MEMBERSHIP] One member of the board shall be a county veterans service officer, one a registered nurse, one a licensed nursing home administrator, one a hospital administrator, one a mental health professional, and four shall be members of congressionally chartered veterans organizations or auxiliary organizations. At least five members of the board shall be veterans as defined by section 197.447.

Subd. 3. [MEMBERSHIP TERMS; COMPENSATION; REMOVAL.] The membership, terms, compensation, and removal authority for the board are as provided in section 15.0575.

Subd. 4. [OFFICERS; QUORUM; RECORDS.] The board shall elect a chair, vice-chair, and other officers it considers necessary from its members. A majority of the board constitutes a quorum, and concurrence of a majority of its quorum is required for the board to act on any matter. The board shall meet at least once every three months or at the call of a quorum and hold other public hearings it considers necessary for the conduct of its business. The board shall keep a full and accurate record of its official acts.

Subd. 5. [ADMINISTRATIVE SERVICES.] The commissioner shall provide the board with office space, clerical assistance, and other administrative services necessary for the board to conduct its business."

Page 2, line 30, delete "COMMISSIONER" and insert "BOARD"

Page 2, line 31, delete "commissioner" and insert "board"

Page 3, lines 8, 11, 14, 23, 30, and 36, delete "commissioner" and insert "board"

Page 3, line 10, after the period, insert "The location of the home shall be determined by the commissioner."

Page 4, line 2, delete "commissioner" and insert "board"

Page 4, after line 11, insert:

"Sec. 4. [198.312] [BOARD POWERS AND DUTIES.]

Subdivision 1. [POWERS.] The board may review and comment to the commissioner on any policy, rule, procedure, or guideline governing the southwestern Minnesota veterans home proposed or adopted by the commissioner or any other officer or employee of the department or home.

Subd. 2. [DUTIES.] The board shall:

(1) recommend to the commissioner a site for the southwestern Minnesota veterans home;

(2) review and comment to the commissioner on any internal or external audit or review of any operation or function of the southwestern Minnesota veterans home;

(3) at the times it determines, but at least annually, conduct an on-site tour of the southwestern Minnesota veterans home, for which purpose the board shall be permitted access to all buildings and facilities of the home, and make recommendations to the commissioner concerning any aspect of the operations of the home viewed by the board;

(4) adopt rules under chapter 14 establishing policies and procedures for the admission and discharge of persons eligible for admission to the southwestern Minnesota veterans home; and

(5) conduct a performance review of the administrator."

Page 4, line 16, delete "2" and insert "3"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "establishing a board of directors of the southwestern Minnesota veterans home;" and delete "commissioner" and insert "board"

Page 1, line 5, after "for" insert "the powers and duties of the board and"

And when so amended the bill do pass and be re-referred to the Committee on Health and Human Services. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 2463: A bill for an act relating to human services; clarifying the administration of human services programs; establishing a compliance system for certain public assistance programs; establishing a public assistance incentive fund; appropriating money; amending Minnesota Statutes 1986, sections 256.72; 256.81; 256.82, subdivision 1; 256.871, subdivision 6; 256.935, subdivision 1; 256.991; 256B.041, subdivisions 5 and 7; 256B.05, subdivision 1; 256B.19, subdivision 2; 256D.03, subdivision 6; 256D.04; 256D.36, subdivision 1; and 393.07, subdivision 2; Minnesota Statutes 1987 Supplement, sections 256.01, subdivision 2; 256B.091, subdivision 8; 256B.19, subdivision 1; 256D.03, subdivision 2; 393.07, subdivision 10; proposing coding for new law in Minnesota Statutes, chapter 256; repealing Minnesota Statutes 1987 Supplement, sections 245.775; and 256D.22.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 2187: A bill for an act relating to human services; eliminating certain limitations on reimbursement to providers; appropriating money; amending Minnesota Statutes 1986, section 256B.03, by adding a subdivision; Minnesota Statutes 1987 Supplement, sections 256.969, subdivision 2; and 256D.03, subdivision 4.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 2138: A bill for an act relating to human services; providing exceptions to the moratorium on beds in intermediate care facilities for persons with mental retardation or related conditions; amending Minnesota Statutes 1986, sections 252.291, subdivisions 1 and 2; and 256B.092, subdivisions 5 and 7; Minnesota Statutes 1987 Supplement, sections 252.291, subdivision 3; and 256B.501, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 15, after "established" insert "publicly or privately operated community"

Page 2, line 36, after the period, insert "One-half of the first 70 newly

constructed or newly established intermediate care beds for persons with mental retardation or related conditions approved by the commissioner under this subdivision in the biennium ending June 30, 1989, may be state operated community intermediate care beds for persons with mental retardation or related conditions. Funds appropriated to operate and expand state operated community-based program pilot projects pursuant to Laws 1987, chapter 403, article 1, section 2, subdivision 9, may be used to establish state operated community intermediate care beds for persons with mental retardation or related conditions."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 2243: A bill for an act relating to vocational rehabilitation; providing employment program rights to persons with disabilities; requiring inclusion of these programs in county social services plans; amending Minnesota Statutes 1987 Supplement, section 256E.09, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 129A.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, delete section 1

Page 2, after line 31, insert:

"Sec. 2. [256E.13] [RIGHT TO RECEIVE SERVICES IN ANOTHER COUNTY.]

A person who is eligible for extended employment services under this chapter has the right to request and receive services outside the county of financial responsibility. The county shall consider the request and shall not disapprove a request for extended employment services solely on the basis that the service is located outside the county."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 8, delete "129A" and insert "256E"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Davis from the Committee on Agriculture, to which was re-referred

S.F. No. 1442: A bill for an act relating to railroads; providing reporting and disclosure requirements for railroad acquisitions; preserving contracts between acquiring railroad carriers and shippers, governmental entities, and labor organizations; providing compensation to nonacquired employees; establishing priority order for hiring by the acquiring carrier; proposing coding for new law in Minnesota Statutes, chapter 222.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 14, delete "5" and insert "4"

Page 2, delete section 2 and insert:

“Sec. 2. [222.86] [ACQUISITION REPORTING AND DISCLOSURE.]

Subdivision 1. [NOTICE OF EXEMPT TRANSACTION.] An acquiring carrier shall submit written notification to the attorney general and the commissioner of transportation of their intent to initiate an exempt transaction under Code of Federal Regulations, title 49, section 1150, at least 14 days before filing a notice of exemption with the Interstate Commerce Commission.

Subd. 2. [IDENTITY AND FINANCIAL INFORMATION.] The notification must designate the complete private or corporate identity of the acquiring carrier, the complete identity of the divesting carrier, and a thorough description of the line of railroad involved.

Subd. 3. [APPLICABILITY TO REQUIREMENTS OF LAW.] Acquiring and divesting carriers shall attend conferences with the attorney general or the commissioner of transportation prior to filing a notice of exemption with the Interstate Commerce Commission. The divesting and acquiring carriers shall respond to questions and requests for information related to the issue of whether the proposed transaction is consistent with the requirements of the Interstate Commerce Act, other applicable federal law, and state law. Copies of the sale contract, market and feasibility studies, and full financial information as to the acquiring carrier must be provided at those conferences.

All information, submitted by the acquiring and divesting carriers as confidential, shall remain nonpublic data and private data on individuals in accordance with chapter 13 and shall not be divulged to any outside parties, except to the Interstate Commerce Commission as a part of a filing in relation to the proposed transaction. The attorney general and the commissioner of transportation shall take the necessary steps to assure confidentiality.”

Page 3, delete section 4

Page 3, line 31, delete “222.89” and insert “222.88”

Page 3, line 32, delete “Any” and insert “Except carriers acquiring an abandoned line, an” and delete “4” and insert “3”

Amend the title as follows:

Page 1, line 6, delete everything after the semicolon

Page 1, line 7, delete “nonacquired employees;”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

S.F. No. 722: A bill for an act relating to state investments; limiting investments in companies doing business in Northern Ireland; proposing coding for new law in Minnesota Statutes, chapter 11A.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, delete lines 7 to 25 and insert:

“BE IT RESOLVED by the Legislature of the State of Minnesota that

Congress should speedily enact legislation to encourage companies doing business in Northern Ireland and trading with the United States to take affirmative action to eliminate religious and ethnic discrimination in Northern Ireland.

BE IT FURTHER RESOLVED that the Secretary of State of Minnesota shall transmit enrolled copies of this memorial to the President of the United States, the President and the Secretary of the United States Senate, the Speaker and the Clerk of the United States House of Representatives, and to Minnesota's Senators and Representatives in Congress."

Page 2, delete lines 1 to 35

Delete the title and insert:

"A resolution memorializing the President and Congress to encourage companies doing business in Northern Ireland to take affirmative action to eliminate religious and ethnic discrimination there."

And when so amended the bill do pass. Mr. Moe, D.M. questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F No. 1982: A bill for an act relating to state lands; authorizing private sale of tax-forfeited land in St. Louis county.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [TAX-FORFEITED LAND SALE; ST. LOUIS COUNTY.]

Notwithstanding Minnesota Statutes, section 282.018, and the public sale requirements of Minnesota Statutes, section 282.01, St. Louis county may sell and convey the tax-forfeited land described in this section to Louie Kolar by private sale for consideration of the amount of unpaid property taxes, assessments, and penalties as certified by the St. Louis county auditor, but otherwise in accordance with Minnesota Statutes, chapter 282.

The land that may be sold is tax-forfeited land that borders public water in St. Louis county in the Southwest Quarter of the Southwest Quarter of Section 7, Township 54 North, Range 15 West and described as: Lots 7 and 8 of Vildskogen Beach.

Mr. Kolar is the former owner of the land. While he was temporarily out of the state, Mr. Kolar entrusted the property to a person who did not pay the taxes and did not inform Mr. Kolar of the failure to pay the taxes.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 2216: A bill for an act relating to land exchange; authorizing the exchange of certain state lands free from reservations of public travel under certain conditions; amending Minnesota Statutes 1986, section 94.342, subdivision 3.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1986, section 94.342, subdivision 3, is amended to read:

Subd. 3. [CLASS C.] No land specifically designated by law as a state park shall be given in exchange hereunder unless expressly authorized by the legislature. No land bordering on or adjacent to any meandered or other public waters and withdrawn from sale by law shall be given in exchange unless expressly authorized by the legislature or unless through the same exchange the state acquires land on the same or other public waters in the same general vicinity affording at least equal opportunity for access to the waters and other riparian use by the public; provided, that any exchange with the United States or any agency thereof may be made free from this limitation upon condition that the state land given in exchange bordering on public waters shall be subject to reservations by the state for public travel along the shores as provided by Minnesota Statutes 1945, section 92.45, *unless waived as provided in this subdivision*, and that there shall be reserved by the state such additional rights of public use upon suitable portions of such state land as the commissioner of natural resources, with the approval of the land exchange board, may deem necessary or desirable for camping, hunting, fishing, access to the water, and other public uses. *In regard to Class B land that is contained within that portion of the Superior National Forest that is designated as the Boundary Waters Canoe Area Wilderness and is also located within Cook county, the condition that state land given in exchange bordering on public waters must be subject to the public travel reservations provided in Minnesota Statutes, section 92.45, may be waived by the land exchange board upon the recommendation of the county board which has the concurrence of the commissioner of natural resources.*

Sec. 2. [CONVEYANCE OF STATE LAND; COOK COUNTY.]

Subdivision 1. [AUTHORIZATION.] Notwithstanding Minnesota Statutes, section 92.45, the commissioner of natural resources may offer for sale and sell, in the manner provided for the sale of other trust fund lands, the land described in subdivision 3, except that the value of the improvements on the land must be appraised separately. The conveyance must be in a form approved by the attorney general.

Subd. 2. [CONDITIONS OF SALE.] (a) If at the sale of the land Wilbur C. Nemitz, Robert W. Nemitz, and Marlene Kadrie are the purchasers, they are not required to pay for the improvements on furnishing an affidavit showing that the improvements were paid by any or all of them.

(b) If a person other than Wilbur C. Nemitz, Robert W. Nemitz, and Marlene Kadrie purchases the land, the purchaser shall pay in cash to the state at the time of sale, in addition to all required payments, the full

amount for which improvements are appraised. The amount received by the state for the improvements must be paid by the commissioner of natural resources, with the approval of the commissioner of finance, to Wilbur C. Nemitz, Robert W. Nemitz, and Marlene Kadrie or their successors in interest as compensation for the improvements. The money required for the payment is appropriated from the fund to which the sale proceeds are credited to the commissioner of natural resources for this purpose.

Subd. 3. [LAND DESCRIPTION.] The commissioner may offer for sale and sell the land described as: the north 100.00 feet of government lot 4 of Section 10, Township 62 North, Range 1 East, Cook county, Minnesota, lying easterly of the centerline of the existing United States Forest Service road.

Subd. 4. [REASON FOR SALE.] A cabin was inadvertently built on this state property and has been owned, occupied, and improved since it was built.

Sec. 3. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to state lands; authorizing the exchange of certain state lands free from reservations of public travel under certain conditions; authorizing sale of certain land in Cook county; appropriating money; amending Minnesota Statutes 1986, section 94.342, subdivision 3."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was re-referred

S.F. No. 1955: A bill for an act relating to Ramsey county; authorizing the county to use certain land dedicated as open space for highway purposes.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 9, delete "*or other law*"

Page 1, delete line 20 and insert "*beginning; thence to the beginning; and except that part of said Northeast Quarter of the Northeast Quarter which lies within a distance of 50 feet on each side of the following described line: From a point on the north line of said Section 17, distant 897.5 feet west of the northeast corner, run northwesterly at an angle of 54 degrees 53 minutes 00 seconds from said north section line for 169.29 feet to the point of beginning of the line to be described; thence deflect to the left at an angle of 90 degrees 00 minutes 00 seconds for 223.41 feet; thence deflect to the right on a 10 degrees 00 minutes 00 seconds curve (delta angle 38 degrees 30 minutes 00 seconds) for 385 feet and there terminating; and"*

Page 2, line 21, delete the period and insert a semicolon

Page 3, delete section 2 and insert:

"Sec. 2. [RAMSEY COUNTY LAND SALE.]

Notwithstanding any contrary provision of Minnesota Statutes, section 373.01, Ramsey county may sell the land described in this section by private, negotiated sale for a price not less than its appraised value.

The land that may be sold is described as: a part of Government Lot three (3) in Section thirty-six (36), Township thirty (30) North of Range twenty-three (23) West of the Fourth Principal Meridian.

The land to be sold is appropriate for development and is in excess of that needed by the county for other purposes."

Amend the title as follows:

Page 1, line 4, before the period, insert "; authorizing the sale of certain land"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 2141: A bill for an act relating to natural resources; ratifying and affirming the settlement agreement arising from litigation concerning certain treaty related claims of Chippewa Indians; prescribing powers and duties of the commissioner of natural resources in relation to the settlement agreement; proposing coding for new law in Minnesota Statutes, chapter 97A.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 9, delete everything after "AGREEMENT.]"

Page 2, line 10, delete "*the contrary,*"

Page 2, line 13, delete everything after "DUTIES.]"

Page 2, line 14, delete "*contrary,*"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 1722: A bill for an act relating to state lands; permitting the sale of certain tax-forfeited lands that border public waters in the city of Aitkin.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, lines 8 and 9, delete "*or other law*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 1983: A bill for an act relating to state lands; authorizing private sale of tax-forfeited land in St. Louis county.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [SALE OF TAX-FORFEITED LAND; ST. LOUIS COUNTY.]

Notwithstanding the public sale requirements of Minnesota Statutes, section 282.01, or the watercourse restriction under section 282.018, St. Louis county may sell tax-forfeited land described in this section to Clifford Olafson of Saginaw, Minnesota.

The land described in this section may be sold by private sale for a consideration not less than its appraised value and in accordance with the applicable provisions of Minnesota Statutes, chapter 282.

The conveyance must be in a form approved by the attorney general.

The land consists of about 20 acres in St. Louis county and is described as: the East 1/2 of the Southwest Quarter of the Northeast Quarter of Section 34, Township 52 North, Range 16 West.

Clifford Olafson has occupied the property for several years under a lease arrangement with St. Louis county. The county land department has determined that the leased property would be of greater benefit in private ownership.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment.”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 1713: A bill for an act relating to state lands; authorizing private sale of certain tax-forfeited lands in Carlton county.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [SALE OF TAX-FORFEITED LAND; CARLTON COUNTY.]

Notwithstanding the public sale, appraisal, and consideration requirements of Minnesota Statutes, chapter 282, Carlton county may sell certain tax-forfeited land, located in Carlton county and described in this section, to independent school district No. 95.

The land described in this section must be sold by private sale for a consideration of \$25 in a form approved by the attorney general.

The land to be sold is located in Carlton county and described as follows:

Beginning at a point 241-3/4 feet west of the north 1/4 post of Section

4, Township 48, Range 20 and thence south 450-4/12 feet to starting point; thence south 61-4/12 feet; thence east 208-8/12 feet; thence north 61-4/12 feet; thence west 208-8/12 feet to starting point.

The property, on which part of a school football field in Cromwell lies, was inadvertently forfeited to the state in 1953 for nonpayment of a \$25 sewer assessment.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 2238: A bill for an act relating to state land; conveying title to state land in Kittson county.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 2367: A bill for an act relating to natural resources; eliminating a diversion of game and fish license fee money; repealing Laws 1987, chapter 373, section 15.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 2283: A bill for an act relating to local government; enacting an equalization grants program for wastewater treatment facilities; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 2368: A bill for an act relating to state lands; authorizing sale of certain tax-forfeited lands that border public water in Pine county.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, delete lines 1 and 2

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 2292: A bill for an act relating to state lands; authorizing sale of certain tax-forfeited lands that border public water in Pine county.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, delete lines 3 to 5

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 2410: A bill for an act relating to the city of Farmington; permitting the sale of certain tax-forfeited land.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 8, delete "*or any other contrary provision of law.*"

Page 1, delete lines 22 to 24

Page 2, delete section 2 and insert:

"Sec. 2. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 2010: A bill for an act relating to environment; exempting innocent landowners from liability; amending Minnesota Statutes 1987 Supplement, section 115C.02, subdivision 13.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1987 Supplement, section 115C.04, subdivision 1, is amended to read:

Subdivision 1. [CORRECTIVE ACTION LIABILITY.] (a) A responsible person is liable for the cost of the corrective action taken by the agency under section 115C.03, subdivisions 2 and 3, including the cost of investigating the release and administrative and legal expenses, if:

(1) the responsible person has failed to take a corrective action ordered by the director and the agency has taken the action;

(2) the agency has taken corrective action in an emergency under section 115C.03, subdivision 3; or

(3) the agency has taken corrective action because a responsible person could not be identified.

(b) A responsible person is liable for the reimbursement paid by the petroleum tank release compensation board under section 115C.09, subdivision 4, to the extent the reimbursement is for corrective action that the responsible person could have been ordered to perform under section 115C.03, subdivision 1.

Sec. 2. Minnesota Statutes 1987 Supplement, section 115C.04, subdivision 3, is amended to read:

Subd. 3. [AGENCY COST RECOVERY.] Reasonable and necessary expenses incurred by the agency in taking a corrective action, including costs of investigating a release ~~and~~, administrative and legal expenses, *and reimbursement costs described in subdivision 1, paragraph (b)*, may be recovered in a civil action in district court brought by the attorney general against a responsible person. The agency's certification of expenses is prima facie evidence that the expenses are reasonable and necessary. Expenses that are recovered under this section must be deposited in the fund.

Sec. 3. Minnesota Statutes 1987 Supplement, section 115C.09, subdivision 1, is amended to read:

Subdivision 1. [REIMBURSABLE CORRECTIVE ACTIONS.] The board shall provide partial reimbursement for the cost of corrective action to eligible responsible persons for ~~releases reported~~ *costs incurred* after June 4, 1987.

Sec. 4. Minnesota Statutes 1987 Supplement, section 115C.09, subdivision 2, is amended to read:

Subd. 2. [RESPONSIBLE PERSON ELIGIBILITY.] (a) A responsible person who has taken corrective action *and incurred costs after June 4, 1987*, in response to a release ~~reported after June 4, 1987~~, may apply to the board for partial reimbursement under subdivision 3 and rules adopted by the board.

(b) A reimbursement may not be made unless the board determines that:

(1) the director has determined that the corrective action has adequately addressed the release and that the release no longer poses a threat to public health and welfare or the environment;

(2) at the time of the release the tank was in compliance with state and federal rules and regulations applicable to the tank, including rules or regulations relating to financial responsibility;

(3) the agency was given notice of the release as required by section 115.061;

(4) the responsible person, to the extent possible, fully cooperated with the agency in responding to the release; and

(5) if the responsible person is an operator, the person exercised due care with regard to operation of the tank, including maintaining inventory control procedures.

Sec. 5. Minnesota Statutes 1987 Supplement, section 115C.09, is amended by adding a subdivision to read:

Subd. 3a. [ELIGIBILITY OF OTHER PERSONS.] *Notwithstanding the provisions of subdivisions 1 to 3, the board shall provide full reimbursement to a person who has taken corrective action if the board determines that:*

(1) the person took the corrective action in response to a request or order of the director made under this chapter;

(2) the director has determined that the person was not a responsible person under section 115C.02; and

(3) the costs for which reimbursement is requested were actually incurred and were reasonable.”

Delete the title and insert:

“A bill for an act relating to environment; providing for reimbursement for certain costs incurred for corrective actions; amending Minnesota Statutes 1987 Supplement, sections 115C.04, subdivisions 1 and 3; and 115C.09, subdivisions 1, 2, and by adding a subdivision.”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 2079: A bill for an act relating to natural resources; regulating fish spearing on lakes within Indian reservations; amending Minnesota Statutes 1986, section 97C.371, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1986, section 97C.011, is amended to read:

97C.011 [MUSKELLUNGE LAKES.]

(a) The commissioner may, after *preparing a statement of need and reasonableness* and holding a public meeting, designate waters with muskellunge as muskellunge waters.

(b) The commissioner may prescribe rules for each designated muskellunge waters that:

- (1) restrict spearing from a dark house;
- (2) restrict angling from a dark house;
- (3) limit the open season to take fish;
- (4) limit the size of fish that may be kept; and
- (5) limit the number of each species of fish that may be kept.

(c) The commissioner must give notice and hold a hearing before adopting rules under this subdivision. The rules must have a termination date and may only be extended upon a showing by the commissioner, at a hearing, that the muskellunge population in the designated waters has been enhanced.

(d) The provisions of section 97C.385, subdivision 1, requiring the angling season on a lake to be closed in proportion to the spearing season do not apply to designated muskellunge lakes.

Sec. 2. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to natural resources; providing for a statement of need and reasonableness before designating muskellunge waters; amending Minnesota Statutes 1986, section 97C.011."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 2289: A bill for an act relating to the environment; authorizing the waste management board to enter agreements providing for the development and operation of a wholly or partially state owned stabilization and containment facility; directing the board to make recommendation for legislative changes needed to implement facility development and operation; proposing coding for new law in Minnesota Statutes, chapter 115A.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [115A.195] [PUBLIC PARTICIPATION IN OWNERSHIP AND MANAGEMENT OF FACILITY.]

The stabilization and containment facility developed under sections 115A.18 to 115A.30 may be wholly owned by the state or jointly owned by the state and a developer selected by the board under section 115A.191. The board chair may negotiate and the board may enter agreements with a selected developer providing terms and conditions for the development and operation of the facility. If the agreements provide for capital improvements or equipment, or for payment of state money, the agreements may be implemented only if funds are appropriated and available to the board for those purposes.

Sec. 2. [RECOMMENDATIONS TO LEGISLATURE.]

By January 15, 1989, the board shall submit to the legislative commission on waste management a copy of its agreements with the selected developer concerning the development and operation of the stabilization and containment facility. The board shall also submit its recommendations concerning the legislative actions necessary to develop and operate the facility as provided in the agreements, including the types and amounts of necessary state financial assistance. The recommendations must also include a proposal for the financial assurance requirements necessary to provide for the payment of claims for damages and response costs that may result from the facility during operation and after closure. The financial assurance proposal must be designed to cover claims that may reasonably be anticipated based upon an analysis of the type and magnitude of the risks posed by the facility.

Sec. 3. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 2259: A bill for an act relating to local government; the city of Cook and Koochiching and St. Louis counties; providing for the establishment of a hospital district in portions of those counties.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 13, after "Cook" insert "and the city of Orr"

Page 2, after line 14, insert:

"Subd. 4. [EXCEPTION TO VOTING REQUIREMENT.] Notwithstanding Minnesota Statutes, section 447.31, subdivision 3, resolutions authorizing the establishment of a hospital district under this act may be adopted by a majority vote."

Page 2, line 35, after "incurred" insert "prior to the transfer"

Page 3, after line 6, insert:

"This act is effective for the city of Orr the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of the city of Orr."

Amend the title as follows:

Page 1, line 2, after "Cook" insert ", the city of Orr,"

And when so amended the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Amendments adopted. Report adopted.

Mr. Davis from the Committee on Agriculture, to which was referred

S.F. No. 2327: A bill for an act relating to agriculture; appropriating money for sustainable agriculture; repealing Laws 1987, chapter 396, article 12, section 6, subdivision 2.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Mr. Davis from the Committee on Agriculture, to which was referred

S.F. No. 2406: A bill for an act relating to agriculture; repealing Laws 1984, chapter 509, section 2.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Davis from the Committee on Agriculture, to which was referred

S.F. No. 1984: A bill for an act relating to agriculture; regulating veterinary drug distribution; imposing a penalty; proposing coding for new law in Minnesota Statutes, chapter 156.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, delete lines 8 to 11

Delete page 3, line 34, to page 4, line 8, and insert:

“Sec. 3. [156.17] [POSSESSION PROHIBITED.]

A person may not possess a prescription veterinary drug unless the person is a licensed veterinarian or pharmacist, a client holding a prescription drug by or on the order of a veterinarian, a manufacturer or wholesaler of veterinary drugs, a valid researcher, or a person performing official state or federal regulatory duties.

Sec. 4. [156.18] [PRESCRIPTION; LABELS; RECORDS.]

Subdivision 1. [PRESCRIPTION.] (a) A person may not dispense a prescription veterinary drug to a client without a prescription or other veterinary authorization. A client may not make extra-label use of a prescription veterinary drug without a prescription from a veterinarian. A veterinarian or the veterinarian's authorized agent may dispense a prescription veterinary drug to a client or oversee the extra-label use of a veterinary drug directly by a client without a prescription. A veterinarian may not authorize the refilling of a prescription beyond three months without reexamining the animal.”

Page 4, line 12, delete “*it must be reduced*” and insert “*the veterinarian must reduce it*”

Page 4, line 24, after “*or*” insert “*prescribing*”

Page 4, delete line 31 and insert “*A veterinarian must maintain complete records of receipt*”

Page 5, after line 7, insert:

“*Records must not use a code or euphemism that causes the true nature of a veterinary drug to be concealed.*”

Page 5, delete line 11 and insert:

“Sec. 5. [156.19] [INSPECTIONS AND SAMPLES.]”

Page 5, line 12, after the comma, insert “*a veterinarian must permit*”

Page 5, line 15, delete “*may*” and insert “*to*”

Pages 5 and 6, delete sections 5 and 6 and insert:

“Sec. 6. [156.20] [EXTRA-LABEL USE.]

A person, other than a veterinarian or a person working under the control of a veterinarian, must not make extra-label use of a veterinary drug in or on a food-producing animal, unless permitted by the prescription of a veterinarian. A veterinarian may prescribe the extra-label use of a veterinary drug if:

(1) the veterinarian makes a careful medical diagnosis within the context of a valid veterinarian-client-patient relationship;

(2) the veterinarian determines that there is no marketed drug specifically labeled to treat the condition diagnosed, or that drug therapy as recommended by the labeling has, in the judgment of the attending veterinarian, been found to be clinically ineffective in the animal to be treated;

(3) the veterinarian institutes procedures to ensure that the identity of the treated animal will be carefully maintained; and

(4) the veterinarian prescribes a significantly extended time period for drug withdrawal before marketing meat, milk, or eggs; the veterinarian

ensures that the recommended withdrawal times are met; and no illegal residues occur as determined by the United States Department of Agriculture and Food and Drug Administration and the Minnesota department of agriculture."

Amend the title as follows:

Page 1, line 3, delete "imposing a penalty;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Frank from the Committee on Economic Development and Housing, to which was referred

S.F. No. 2192: A bill for an act relating to economic development; permitting certain development authorities to hold certain licenses; amending Minnesota Statutes 1987 Supplement, section 469.155, subdivision 13.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Frank from the Committee on Economic Development and Housing, to which was referred

S.F. No. 2370: A bill for an act relating to local government; including certain parcels in a tax increment financing district located in the city of Virginia.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Report adopted.

Mr. Frank from the Committee on Economic Development and Housing, to which was referred

S.F. No. 2380: A bill for an act relating to the city of Chanhassen; extending certain tax increment financing.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1784 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1784	1663				

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1941 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1941	1764				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1941 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1941 and insert the language after the enacting clause of S.F. No. 1764, the first engrossment; further, delete the title of H.F. No. 1941 and insert the title of S.F. No. 1764, the first engrossment.

And when so amended H.F. No. 1941 will be identical to S.F. No. 1764, and further recommends that H.F. No. 1941 be given its second reading and substituted for S.F. No. 1764, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2008 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2008	1780				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2008 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2008 and insert the language after the enacting clause of S.F. No. 1780, the first engrossment; further, delete the title of H.F. No. 2008 and insert the title of S.F. No. 1780, the first engrossment.

And when so amended H.F. No. 2008 will be identical to S.F. No. 1780, and further recommends that H.F. No. 2008 be given its second reading and substituted for S.F. No. 1780, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2045 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
		2045	1947		

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2045 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2045 and insert the language after the enacting clause of S.F. No. 1947, the first engrossment; further, delete the title of H.F. No. 2045 and insert the title of S.F. No. 1947, the first engrossment.

And when so amended H.F. No. 2045 will be identical to S.F. No. 1947, and further recommends that H.F. No. 2045 be given its second reading and substituted for S.F. No. 1947; and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Hughes from the Committee on Elections and Ethics, to which were referred the following appointments as reported in the Journal for February 15, 1988:

STATE ETHICAL PRACTICES BOARD

Douglas R. Ewald
Mary Smith

Reports the same back with the recommendation that the appointments be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Bertram from the Committee on Veterans, to which was referred

S.F. No. 1833: A bill for an act relating to veterans; authorizing a tax to defray the cost of a veterans service officer in any county where the officer may be employed; amending Minnesota Statutes 1986, section 197.60, subdivision 4.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Report adopted.

Mr. Bertram from the Committee on Veterans, to which was referred

S.F. No. 2172: A bill for an act relating to veterans; requiring the commissioner of veterans affairs to provide certain grave markers; appropriating money; amending Minnesota Statutes 1986, section 197.23.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Mr. Bertram from the Committee on Veterans, to which was referred

S.F. No. 2239: A resolution memorializing the heads of the federal departments and agencies holding records concerning reported live sightings of American military personnel classified as prisoners of war or missing in action in Southeast Asia to make the records available to the public.

Reports the same back with the recommendation that the resolution do pass and be re-referred to the Committee on Rules and Administration. Report adopted.

Mr. Bertram from the Committee on Veterans, to which was referred

S.F. No. 2272: A resolution memorializing the Congress of the United States to investigate the connection between Agent Orange and health problems of Vietnam veterans.

Reports the same back with the recommendation that the resolution do pass and be re-referred to the Committee on Rules and Administration. Report adopted.

Mr. Bertram from the Committee on Veterans, to which was referred

S.F. No. 2092: A bill for an act relating to veterans; providing for state veterans' cemeteries; requiring land donated to state for use as veterans' cemetery in Morrison county to be returned to donors if not used as veterans' cemetery; amending Minnesota Statutes 1986, section 197.235.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [APPROPRIATION.]

\$15,000 is appropriated from the general fund to the commissioner of veterans affairs to study the anticipated cost of site development and ongoing operational costs of an additional state veterans' cemetery. The feasibility of utilizing Minnesota granite wherever possible shall also be included in the study.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

Amend the title as follows:

Page 1, line 2, delete "for" and insert "an appropriation to study the feasibility of an additional"

Page 1, delete lines 3 to 6 and insert "cemetery."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Davis from the Committee on Agriculture, to which was referred

S.F. No. 1851: A bill for an act relating to public safety; providing for certain emergency use telephone service at tank farms; proposing coding for new law in Minnesota Statutes, chapter 17.

Reports the same back with the recommendation that the bill be amended

as follows:

Page 1, lines 8 and 9, delete “; EMERGENCY USE PHONES”

Page 1, delete lines 15 to 21 and insert:

“Subd. 2. [EMERGENCY PROCEDURES AVAILABLE.] *While transferring anhydrous ammonia from a transport vehicle to a bulk storage facility, the operator must have available at the site:*

- (1) *a citizens band radio in the transport vehicle; or*
- (2) *a mobile telephone in the transport vehicle; or*
- (3) *a working telephone located on the tank farm property and readily accessible to the transport vehicle driver; or*
- (4) *one person in addition to the transport vehicle driver.”*

Amend the title as follows:

Page 1, line 3, delete “use telephone service” and insert “communications procedures”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Davis from the Committee on Agriculture, to which was referred

S.F. No. 552: A bill for an act relating to agriculture; investigating and promoting use of state agricultural commodities by establishments selling prepared food in the state; amending Minnesota Statutes 1986, section 17.03, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [16B.103] [PREFERENCE FOR AGRICULTURAL FOOD PRODUCTS GROWN IN STATE.]

Subdivision 1. [PREFERENCE IN STATE CONTRACTS.] The commissioner must require that state contracts by an agency for purchase of food products or food service contracts provide that the supplier make a reasonable attempt to identify and purchase food products that are grown in this state.

Subd. 2. [PREFERENCE FOR SUPPLIERS.] Agencies must give preference to the lowest responsible bidders for contracts that provide food products grown in this state over bidders that provide food products grown and raised outside of this state.

Subd. 3. [REPORT.] The commissioner shall prepare a report at the end of each biennium and submit it to the committees on agriculture in the house of representatives and senate on the total food products purchased or contracted for by agencies and the amounts of fruits, vegetables, grains, meats, poultry, and other food products purchased or contracted for that are grown in this state.

Sec. 2. [REPORT.]

The commissioner of agriculture shall investigate the use of agricultural

products to discern the opportunity for expansion of market share by agricultural producers in the state. This investigation shall include franchised food chain and restaurant establishments selling prepared food in this state. The commissioner must submit a report of the investigation to the house of representatives and senate agriculture committees of the legislature by January 31, 1989.

Sec. 3. [APPROPRIATION.]

\$ is appropriated from the general fund to the commissioner of agriculture to contract for an investigation and report on the use of state agricultural products within the state and opportunities for expanded markets for state agricultural products within the state to be available until expended.

Sec. 4. [EFFECTIVE DATE.]

This act is effective the day following final enactment. Section 1 applies to contracts entered into by the state after June 30, 1988."

Delete the title and insert:

"A bill for an act relating to agriculture; providing for preference in state contracts for agricultural products grown in the state; investigating use of state agricultural products by establishments selling prepared food; requiring reports; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 16B."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 2106: A bill for an act relating to vocational rehabilitation; changing terminology; regulating funding allocations; providing for facility governance; amending Minnesota Statutes 1986, section 129A.02, subdivision 3; 129A.09; and 129A.10; Minnesota Statutes 1987 Supplement, sections 129A.01, subdivisions 5, 6, and 7; 129A.03; 129A.06, subdivision 1; 129A.07, subdivision 1; 129A.08, subdivisions 1, 4, 5, and by adding a subdivision; repealing Minnesota Statutes 1987 Supplement, sections 129A.01, subdivision 8; 129A.07, subdivision 2; and 129A.08, subdivision 3.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 1757: A bill for an act relating to human services; establishing grants for community initiatives for children; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 245.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, after line 12, insert:

"(4) demonstrate that the organization is using and coordinating existing resources of the community;

(5) demonstrate that the organization has applied to private foundations for funding.”

Renumber the clauses in sequence

Page 2, delete lines 23 to 30 and insert:

“Subd. 5. [GRANT AWARD.] *The commissioner shall award one demonstration grant under this section to a project in the seven-county metropolitan area. The amount of the grant may not exceed the lesser of \$. . . or 50 percent of the capital costs incurred within a two-year period.*”

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was re-referred

S.F. No. 308: A bill for an act relating to animals; permitting establishments that seize dogs or cats to decide whether to convey unredeemed dogs and cats to institutions for research; prohibiting establishments from transferring dogs or cats to dealers; requiring establishments to post a notice that the animals may be conveyed to institutions for research; amending Minnesota Statutes 1986, section 35.71, subdivision 3, and by adding subdivisions.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, lines 11 and 12, reinstate the stricken language and delete the new language

Page 2, line 13, reinstate the stricken “animals.”

Page 2, line 18, reinstate the stricken “If a request is made by a licensed institution”

Page 2, lines 19 to 36, reinstate the stricken language

Page 3, lines 1 to 8, reinstate the stricken language

Page 3, line 16, before “An” insert “*An establishment shall check for identification on each dog or cat, identify the owner by the identification whenever possible, and promptly notify the owner of the location of the animal by the most expedient means.*”

Page 4, after line 8, insert:

“Sec. 7. [REPEALER.]

Minnesota Statutes 1986, section 346.54, is repealed.”

Amend the title as follows:

Page 1, line 2, delete “permitting” and insert “establishing requirements for”

Page 1, line 3, delete everything before “convey”

Page 1, line 10, after “subdivisions” insert “; repealing Minnesota Statutes 1986, section 346.54”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 2104: A bill for an act relating to domestic abuse; requiring recording of all domestic abuse protection hearings; amending Minnesota Statutes 1986, section 518B.01, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, delete lines 10 to 12 and insert:

"Subd. 19. [RECORDING REQUIRED.] Proceedings under this section must be recorded."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 1553: A bill for an act relating to crimes; prohibiting unauthorized use of computer information; prohibiting denial of access to a computer; prohibiting use of a computer to commit a felony; authorizing persons injured by computer crime to collect treble civil damages; requiring the reporting of computer crimes; imposing penalties; amending Minnesota Statutes 1986, sections 609.531, subdivision 1; 609.87, subdivisions 3, 4, 5, and by adding subdivisions; and 609.88, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 609.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1987 Supplement, section 609.531, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For the purpose of this section, the following terms have the meanings given them.

(a) "Conveyance device" means a device used for transportation in connection with a designated offense and includes, but is not limited to, motor vehicles, trailers, snowmobiles, airplanes, and vessels. The term "conveyance device" does not include property which is, in fact, itself stolen or taken in violation of the law.

(b) "Primary container" means a fundamental receptacle other than a conveyance device used to store or transport property.

(c) "Weapon used" means weapons used in the furtherance of a crime and defined as a dangerous weapon under section 609.02, subdivision 6.

(d) "Property" means property as defined in section 609.52, subdivision 1, clause (1).

(e) "Contraband property" means property which is illegal to possess under Minnesota law.

(f) "Appropriate agency" means either the bureau of criminal apprehension, Minnesota state patrol, county sheriffs and their deputies, or city police departments.

(g) "Designated offense" includes:

(1) For weapons used: any violation of this chapter;

(2) For all other purposes: violation of, or an attempt or conspiracy to violate, section 609.185; 609.19; 609.195; 609.21; 609.221; 609.222; 609.223; 609.2231; 609.24; 609.245; 609.25; 609.255; 609.322, subdivision 1 or 2; 609.342, subdivision 1, clauses (a) to (f); 609.343, subdivision 1, clauses (a) to (f); 609.344, subdivision 1, clauses (a) to (e), and (h) to (j); 609.345, subdivision 1, clauses (a) to (e), and (h) to (j); 609.42; 609.425; 609.466; 609.485; 609.487; 609.52; 609.521; 609.525; 609.53; 609.54; 609.551; 609.561; 609.562; 609.563; 609.582; 609.59; 609.595; section 609.671, subdivisions 3, 4, and 5; 609.687; 609.825; 609.86; 609.88; 609.89; or 617.246, when the violation constitutes a felony; or a gross misdemeanor or felony violation of section 4.

(h) "Communications device or component" means a device or system used to facilitate in any manner the creation, storage, dissemination, or transmission of data in connection with a designated offense and includes computers and computer-related components as defined in section 609.87 and any other device or system that by means of electric, electronic or magnetic impulses may be used to facilitate in any manner the creation, storage, dissemination, or transmission of data.

Sec. 2. Minnesota Statutes 1986, section 609.87, subdivision 1, is amended to read:

Subdivision 1. [APPLICABILITY.] For purposes of sections 609.87 to 609.89, and sections 4 and 5, the terms defined in this section have the meanings given them.

Sec. 3. Minnesota Statutes 1986, section 609.87, is amended by adding a subdivision to read:

Subd. 9a. [COMPUTER SECURITY SYSTEM.] "Computer security system" means a software program or computer device that:

(1) is intended to protect the confidentiality and secrecy of data and information stored in or accessible through the computer system; and

(2) displays a conspicuous warning to a user that the user is entering a secure system, or requires a person seeking access to knowingly respond by use of an authorized code to the program or device in order to gain access.

Sec. 4. [609.891] [UNAUTHORIZED COMPUTER ACCESS.]

Subdivision 1. [CRIME.] A person is guilty of unauthorized computer access if the person intentionally and without authority attempts to or does penetrate a computer security system.

Subd. 2. [FELONY.] (a) A person who violates subdivision 1 in a manner that creates a grave risk of causing the death of a person is guilty of a felony and may be sentenced to a term of imprisonment of not more than ten years or to payment of a fine of not more than \$20,000, or both.

(b) A person who is convicted of a second or subsequent gross misdemeanor violation of subdivision 1 is guilty of a felony and may be sentenced under paragraph (a).

Subd. 3. [GROSS MISDEMEANOR.] (a) A person who violates subdivision 1 in a manner that creates a risk to public health and safety is guilty of a gross misdemeanor and may be sentenced to imprisonment for

a term of not more than one year or to payment of a fine of not more than \$3,000, or both.

(b) A person who violates subdivision 1 in a manner that compromises the security of data that are protected under section 609.52, subdivision 2, clause (8), or are not public data as defined in section 13.02, subdivision 8a, is guilty of a gross misdemeanor and may be sentenced under paragraph (a).

(c) A person who is convicted of a second or subsequent misdemeanor violation of subdivision 1 within five years is guilty of a gross misdemeanor and may be sentenced under paragraph (a).

Subd. 4. [MISDEMEANOR.] A person who violates subdivision 1 is guilty of a misdemeanor and may be sentenced to imprisonment for a term of not more than 90 days or to payment of a fine of not more than \$700, or both.

Sec. 5. [609.892] [SELLING PROTECTED DATA.]

Subdivision 1. [CRIME.] A person is guilty of selling protected data if the person:

(1) makes contact with a computer system and thereby gains access to data that are not public data as defined in section 13.02, subdivision 8a;

(2) transfers the data to a person who is not authorized to receive the data; and

(3) receives money or any other thing of value in exchange for the data.

Subd. 2. [SENTENCE.] A person who violates subdivision 1 is guilty of a felony and may be sentenced to a term of imprisonment of not more than five years or to payment of a fine of not more than \$10,000, or both.

Sec. 6. [EFFECTIVE DATE.]

Sections 1 to 5 are effective August 1, 1988, and apply to crimes committed on or after that date."

Delete the title and insert:

"A bill for an act relating to crimes; prohibiting unauthorized access to computers; imposing penalties; amending Minnesota Statutes 1986, section 609.87, subdivision 1, and by adding a subdivision; Minnesota Statutes 1987 Supplement, section 609.531, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 609."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 2107: A bill for an act relating to crimes; expanding aggravated robbery and burglary in the first degree to include crimes committed with an article that appears to be a dangerous weapon; creating a felony offense of terrorizing with a replica firearm; amending Minnesota Statutes 1986, sections 609.245; 609.582; and 609.713, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 21, delete everything after "object"

Page 2, line 22, delete "other material,"

Page 2, line 25, before the period, insert "that is not otherwise defined as a dangerous weapon"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 1615: A bill for an act relating to real property; providing a restriction on the duration of conditions affecting certain real property; providing an exemption for the city of North Oaks; amending Minnesota Statutes 1986, section 500.20, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 20, delete "1987" and insert "1988"

Page 1, delete line 24 and insert:

"(2) that were created before August 1, 1959, under which a person who owns or has an interest in real property against which the covenants, conditions, or restrictions have been filed claims a benefit of the"

Page 2, line 2, delete "1988" and insert "1989"

Page 2, line 6, delete "affirmatively showing" and insert "stating that"

Page 2, line 7, delete "why" and delete "or has not"

Page 2, line 8, delete "become" and delete "so that it" and insert "and" and after "may" insert "not"

Page 2, line 19, delete "nonprofit" and delete the comma and insert "of which"

Page 2, line 20, delete "membership of which" and insert "being a stockholder or member"

Page 2, line 22, delete "or"

Page 2, line 28, delete the period and insert "; or"

(7) that were created after July 31, 1959, and before August 1, 1982, under which a person who owns or has an interest in real estate against which covenants, conditions, or restrictions have been filed claims a benefit of the covenants, conditions, or restrictions if the person records in the office of the county recorder or files in the office of the registrar of titles in the county in which the real estate affected is located during the period commencing on the 28th anniversary of the date of the deed or instrument, or the date of the probate of the will, creating them and ending on the 30th anniversary, a notice as described in clause (2).

A notice filed in accordance with clause (2) or (7) is effective for ten years and may be renewed for additional ten-year periods by filing a sworn affidavit of the claimant or claimant's attorney stating that the covenant, condition, or restriction is not nominal and may not be disregarded under subdivision 1."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 1871: A bill for an act relating to family law; prohibiting certain false allegations of child abuse; regulating child custody hearings; providing a penalty; amending Minnesota Statutes 1986, section 518.17, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 609.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, delete lines 16 to 19 and insert:

"A person is guilty of a misdemeanor who:

- (1) informs another person that a person has committed child abuse;*
- (2) knows that the allegation is false or is without reason to believe that the alleged abuser committed child abuse; and*
- (3) has the intent that the information influence a child custody hearing."*

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 2119: A bill for an act relating to child abuse reporting; clarifying the assessment duties of the local welfare agency; providing for the retention of records in certain circumstances; amending Minnesota Statutes 1986, section 626.556, subdivision 5, and by adding subdivisions; and Minnesota Statutes 1987 Supplement, section 626.556, subdivision 11.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 13, after "*MALICIOUS*" insert "*AND RECKLESS*"

Page 1, after line 17, insert:

"Sec. 2. Minnesota Statutes 1986, section 626.556, subdivision 10d, is amended to read:

Subd. 10d. [NOTIFICATION OF NEGLECT OR ABUSE IN A FACILITY.] (a) When a report is received that alleges neglect, physical abuse, or sexual abuse of a child while in the care of a facility required to be licensed pursuant to sections 245.781 to 245.812, the commissioner or local welfare agency investigating the report shall provide the following information to the parent, guardian, or legal custodian of a child alleged to have been neglected, physically abused, or sexually abused: the name of the facility; the fact that a report alleging neglect, physical abuse, or sexual abuse of a child in the facility has been received; the nature of the alleged neglect, physical abuse, or sexual abuse; that the agency is conducting an investigation; any protective or corrective measures being taken pending the outcome of the investigation; and that a written memorandum will be provided when the investigation is completed.

(b) The commissioner or local welfare agency may also provide the information in paragraph (a) to the parent, guardian, or legal custodian of any other child in the facility if the investigative agency knows or has reason to believe the alleged neglect, physical abuse, or sexual abuse has

occurred. In determining whether to exercise this authority, the commissioner or local welfare agency shall consider the seriousness of the alleged neglect, physical abuse, or sexual abuse; the number of children allegedly neglected, physically abused, or sexually abused; the number of alleged perpetrators; and the length of the investigation. The facility shall be notified whenever this discretion is exercised.

(c) When the commissioner or local welfare agency has completed its investigation, every parent, guardian, or legal custodian notified of the investigation by the commissioner or local welfare agency shall be provided with the following information in a written memorandum: the name of the facility investigated; the nature of the alleged neglect, physical abuse, or sexual abuse; the investigator's name; a summary of the investigation findings; a statement whether ~~the report maltreatment~~ was found to be ~~substantiated, inconclusive, or false~~; and the protective or corrective measures that are being or will be taken. The memorandum shall be written in a manner that protects the identity of the reporter and the child and shall not contain the name, or to the extent possible, reveal the identity of the alleged perpetrator or of those interviewed during the investigation. The commissioner or local welfare agency shall also provide the written memorandum to the parent, guardian, or legal custodian of each child in the facility if ~~the report is substantiated. The commissioner or local welfare agency may also provide the written memorandum to the parent, guardian, or legal custodian of any other child in the facility if the investigation is inconclusive. The facility shall be notified whenever this discretionary authority is exercised~~ *maltreatment is determined to exist.*"

Page 1, line 20, delete "FINDINGS" and insert "DETERMINATIONS"

Page 1, line 22, delete "findings" and insert "determinations"

Page 2, line 6, after the semicolon, insert "or"

Page 2, line 8, delete everything after "(a)" and insert a period

Page 2, delete lines 9 to 15

Page 2, line 16, delete "finding" and insert "determination"

Page 2, line 28, delete "FINDINGS" and insert "DETERMINATIONS"

Page 2, line 31, delete "findings" and insert "determinations"

Page 2, line 35, delete "findings" in both places and insert "determinations" in both places

Page 3, line 1, delete "subdivision 11a" and insert "section 6" and delete "finding" and insert "determination"

Page 3, line 3, delete "subject's" and insert "alleged perpetrator's"

Page 3, lines 12 to 15, reinstate the stricken language

Page 5, line 5, after "maintained" insert "or records derived from reports of abuse" and after "welfare agencies" insert ", county sheriffs or police departments,"

Page 5, line 8, delete "finding" and insert "determination"

Page 5, line 11, delete "subject" and insert "individual alleged to have maltreated a child" and delete "subdivision 10f" and insert "section 4"

Page 5, line 12, delete "findings" and insert "determinations"

Page 5, line 13, delete "*the subject's*" and insert "*that individual's*"

Page 5, line 14, before the period, insert "*within 10 days*"

Re-number the sections in sequence

Amend the title as follows:

Page 1, line 6, delete "subdivision" and insert "subdivisions" and after "5" insert ", 10d"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was re-referred

S.F. No. 1879: A bill for an act relating to agriculture; providing penalties and liability for damages for unauthorized release of domestic animals; proposing coding for new law in Minnesota Statutes, chapter 346.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [346.56] [UNAUTHORIZED RELEASE OF ANIMALS.]

Subdivision 1. [CRIMINAL PENALTY.] A person who intentionally and without permission releases an animal lawfully confined for science, research, commerce, or education is guilty of a misdemeanor.

Subd. 2. [LIABILITY FOR DAMAGES.] A person who without permission releases an animal lawfully confined for science, research, commerce, or education is liable to the owner of the animal for damages and costs of restoring the animal to confinement.

Sec. 2. [EFFECTIVE DATE.]

This act is effective August 1, 1988, and applies to unauthorized releases committed on or after that date."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 2451: A bill for an act relating to claims against the state; clarifying that a public defender appointed by the state board of public defense is an employee of the state; amending Minnesota Statutes 1987 Supplement, section 3.732, subdivision 1.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 1830: A bill for an act relating to crimes; making it a crime for athletic agents to induce student athletes to enter into agent contracts or professional sport services contracts before the athletes' collegiate eligibility expires; making it a crime for athletic agents to offer anything of value to employees of institutions of higher education in return for referral of student athlete clients; prescribing penalties; proposing coding for new

law in Minnesota Statutes, chapter 609.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [609.857] [MISCONDUCT OF ATHLETIC AGENTS.]

Subdivision 1. [DEFINITIONS.] (a) The definitions in this subdivision apply to this section.

(b) “Student athlete” means a person who engages in, is eligible to engage in, or may be eligible to engage in any intercollegiate sporting event, contest, exhibition, or program. The term includes any individual who may be eligible to engage in collegiate sports in the future.

(c) “Athletic director” means the person discharging the duties of coordinating and administering the overall athletic program for the educational institution attended by the student athlete.

(d) “Educational institution” means the public or private high school, college, junior college, or university that the student athlete last attended or to which the student athlete has expressed written intention to attend.

Subd. 2. [WAIVER OF ELIGIBILITY.] A student athlete's waiver of intercollegiate athletic eligibility is not effective until the waiver of eligibility form prescribed by this subdivision has been filed with the secretary of state for seven days. The waiver is considered to have been on file seven days as of the eighth day after the receipt by the office of the secretary of state of the completed waiver of eligibility form prescribed by this subdivision. The original waiver is to be filed with the secretary of state and must be available for public inspection in the office of the secretary of state during normal business hours. The secretary of state must send a copy of the waiver to the athletic director upon receipt, but failure to do so does not make the waiver ineffective. The waiver form must provide:

“WAIVER OF INTERCOLLEGIATE ATHLETIC ELIGIBILITY

I,, hereby waive any and all intercollegiate athletic eligibility. This waiver is not effective until seven days after it has been received by the Minnesota secretary of state.

This waiver is revocable until my intercollegiate athletic eligibility is terminated as a result of my entering either a contract with an athletic agent or a professional sports contract.

.....
STUDENT ATHLETE

.....
EDUCATIONAL INSTITUTION

.....
DATE”

Subd. 3. [FELONY.] (a) A person is guilty of a felony and may be sentenced under this subdivision if, before the effective date of a student athlete's waiver of intercollegiate athletic eligibility, the person enters into a contract, written or oral, with the student athlete to:

(1) serve as the agent of the student athlete in obtaining a professional sports contract; or

(2) represent the student athlete or a professional sports organization in obtaining a professional sports contract for or with a student athlete.

(b) A person who violates this subdivision may be sentenced to imprisonment for not more than two years or to payment of a fine of not more than the greater of \$100,000 or an amount equal to three times the amount given, offered, or promised as an inducement for the student athlete to enter the agency contract or professional sports contract, exclusive of the compensation provided by the professional sports contract, or both.

Subd. 4. [GROSS MISDEMEANOR.] (a) A person is guilty of a gross misdemeanor and may be sentenced under this subdivision if the person offers, gives, or promises to give to an employee of an educational institution, directly or indirectly, any benefit, reward, or consideration to which the employee is not legally entitled with the intent that:

(1) the employee will influence a student athlete to enter into a contract with the person to serve as the athlete's agent or to enter into a professional sports contract; or

(2) the employee will refer student athletes to the person.

(b) A person who violates this subdivision may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than the greater of \$100,000, or an amount equal to three times the value offered to the employee in violating this subdivision, or to both imprisonment and a fine.

Subd. 5. [VOIDABILITY OF CONTRACT.] A contract entered into in violation of subdivision 3 is voidable by the student athlete. If voided by the student athlete, the athletic agent shall return to the student athlete any compensation received under the contract. The athletic agent shall also pay reasonable attorney fees and costs incurred by a student athlete in any action or defense under this subdivision.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective August 1, 1988, and applies to crimes committed on or after that date."

Delete the title and insert:

"A bill for an act relating to crimes; making it a crime to enter into a contract to serve as the agent of a student athlete or represent a student athlete or professional sports organization in obtaining a professional sports contract with a student athlete before expiration of the student athlete's collegiate eligibility unless the athlete has executed an effective waiver of eligibility; making it a crime to offer anything of value to an employee of an educational institution in return for the employee's influence on a student athlete to enter into contracts with agents or professional sports contracts or for the referral of student athlete clients; imposing penalties; proposing coding for new law in Minnesota Statutes, chapter 609."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 2278: A bill for an act relating to civil process; specifying property exempt from final process issued by a court; modifying the exemption for employee benefits; amending Minnesota Statutes 1986, section 550.37, subdivision 24.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was re-referred.

S.F. No. 1628: A bill for an act relating to human services; revising and clarifying the duties and powers of the ombudsman for mental health and mental retardation; transferring money; amending Minnesota Statutes 1987 Supplement, sections 245.91, subdivisions 2, 3, and 4; 245.92; 245.94, subdivisions 1, 2, 3, and 4; 245.95, subdivision 1; 245.97, subdivision 1; 626.556, subdivisions 9 and 10; and 626.557, subdivision 9.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, lines 25 and 26, strike "to which the client is entitled to access"

Page 3, line 28, delete "or" and strike "confidential"

Page 3, line 30, after the period, insert "*The ombudsman is not required to obtain consent for access to private data on clients with mental retardation or a related condition.*"

Page 4, line 5, before the period, insert "*The ombudsman is not required to obtain consent to attend meetings or proceedings and have access to private data on clients with mental retardation or a related condition*"

Page 4, line 6, delete everything after "(h)"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 1790: A bill for an act relating to probate; providing for payment to certain persons for benefit of incapacitated persons; proposing coding for new law in Minnesota Statutes, chapter 525.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 10, delete "*adult*" and insert "*incapacitated*"

Page 1, line 11, delete "*designated*" and insert "*as defined*"

Page 1, line 12, delete "\$5,000" and insert "\$3,000"

Page 2, line 2, delete "or"

Page 2, line 3, before the period, insert "*or any other person upon written demand*"

And when so amended the bill do pass. Amendments adopted. Report

adopted.

Mr. Spear from the Committee on Judiciary, to which was re-referred

S.F. No. 1735: A bill for an act relating to game and fish; providing for restitution for wild animals that are illegally killed or injured; providing for civil penalties for wild animals killed or injured; restricting expenditures from restitution to replacement and propagation of wild animals illegally killed or injured; amending Minnesota Statutes 1986, section 97A.065, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 97A.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 28, before "*preponderance*" insert "*a*"

Page 3, line 14, delete everything after "*(b)*"

Page 3, line 15, delete everything before "*In*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 2257: A bill for an act relating to statute of limitations; providing relief for certain individuals denied a remedy due to the unconstitutionality of a statute of limitation relating to real property improvement.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 1675: A bill for an act relating to actions; restoring pre-1986 status to computing awards of future damages; repealing Minnesota Statutes 1986, section 604.07.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 2156: A bill for an act relating to criminal procedure; defining "crime" in the law governing issuance of search warrants to include violations of municipal ordinances; amending Minnesota Statutes 1986, section 626.05, by adding a subdivision.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 1532: A bill for an act relating to civil actions; modifying the statute of limitations for damages based on services or construction to improve real property; amending Minnesota Statutes 1986, section 541.051, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 541.051, subdivision 1, is amended to read:

Subdivision 1. (a) Except where fraud is involved, no action by any person in contract, tort, or otherwise to recover damages for any injury to property, real or personal, or for bodily injury or wrongful death, arising out of the defective and unsafe condition of an improvement to real property, nor any action for contribution or indemnity for damages sustained on account of the injury, shall be brought against any person performing or furnishing the design, planning, supervision, materials, or observation of construction or construction of the improvement to real property or against the owner of the real property more than two years after discovery thereof of the injury or, in the case of an action for contribution or indemnity, accrual of the cause of action, nor, in any event shall such a cause of action accrue more than ten years after substantial completion of the construction. Date of substantial completion shall be determined by the date when construction is sufficiently completed so that the owner or the owner's representative can occupy or use the improvement for the intended purpose.

(b) For purposes of paragraph (a), a cause of action accrues upon discovery of the injury or, in the case of an action for contribution or indemnity, upon payment of a final judgment, arbitration award or settlement arising out of the defective and unsafe condition.

(c) Nothing in this section shall apply to actions for damages resulting from negligence in the maintenance, operation or inspection of the real property improvement against the owner or other person in possession.

Sec. 2. Minnesota Statutes 1987 Supplement, section 541.22, subdivision 2, is amended to read:

Subd. 2. [LIMITATION ON CERTAIN ASBESTOS ACTIONS.] Notwithstanding any other law to the contrary, an action against a manufacturer or supplier of asbestos or material containing asbestos to recover for (1) removal of asbestos or materials containing asbestos from a building, (2) other measures taken to locate, correct, or ameliorate any problem related to asbestos in a building, or (3) reimbursement for removal, correction, or amelioration of an asbestos problem that would otherwise be barred before July 1, 1990, as a result of expiration of the applicable period of limitation, is revived or extended. An asbestos action revived or extended under this subdivision may be begun before July 1, 1990.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective the day following final enactment and apply to matters pending on or instituted on or after the effective date."

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "modifying the statute of limitations for asbestos actions;"

Page 1, line 6, before the period, insert "; and Minnesota Statutes 1987 Supplement, section 541.22, subdivision 2"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 30: A bill for an act relating to crimes; requiring health professionals to report certain burn injuries; amending Minnesota Statutes 1986, sections 626.52, by adding a subdivision; and 626.53.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 626.52, subdivision 1, is amended to read:

Subdivision 1. [DEFINITION.] As used in ~~subdivision 2~~ *this section*, "health professional" means a physician, surgeon, person authorized to engage in the practice of healing, superintendent or manager of a hospital, nurse, or pharmacist.

Sec. 2. Minnesota Statutes 1986, section 626.52, is amended by adding a subdivision to read:

Subd. 3. [REPORTING BURNS.] A health professional shall immediately report a burn injury or wound that the professional is called upon to treat, dress, or bandage, if the victim has sustained second- or third-degree burns to five percent or more of the body, the victim has sustained burns to the upper respiratory tract or sustained laryngeal edema from inhaling superheated air, or the victim has sustained a burn injury or wound that may result in the victim's death. The health professional shall make the initial report by telephoning the burn hotline in order to allow the proper law enforcement or other investigatory authority to be notified. Within 72 hours, the professional shall also file a written report with the state fire marshal, on a form provided by the fire marshal.

Sec. 3. Minnesota Statutes 1986, section 626.53, is amended to read:

626.53 [REPORT BY TELEPHONE AND LETTER.]

The report required by section 626.52, *subdivision 2*, shall be made forthwith by telephone or in person, and shall be promptly supplemented by letter, enclosed in a securely sealed, postpaid envelope, addressed to the sheriff of the county in which the wound is examined, dressed, or otherwise treated; except that, if the place in which the patient is treated for such injury or the patient's wound dressed or bandaged be in a city of the first, second, or third class, such report shall be made and transmitted as herein provided to the chief of police of such city instead of the sheriff. The office of any such sheriff and of any such chief of police shall keep ~~such~~ *the* report as a confidential communication and shall not disclose the name of the person making the same, and the party making the report shall not by reason thereof be subpoenaed, examined, or forced to testify in court as a consequence of having made such a report.

Sec. 4. Minnesota Statutes 1986, section 626.55, subdivision 1, is amended to read:

Subdivision 1. Any person who violates any provision of sections 626.52 to 626.55, *other than section 2*, is guilty of a gross misdemeanor."

Delete the title and insert:

"A bill for an act relating to crimes; requiring health professionals to report certain burn injuries; amending Minnesota Statutes 1986, sections

626.52, subdivision 1, and by adding a subdivision; 626.53; and 626.55, subdivision 1.”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 1937: A bill for an act relating to crimes; providing for seizure and forfeiture of property used in commission of crime, proceeds of crime, and contraband; creating a presumption that money, precious metals, and jewels found near controlled substances, and vehicles containing controlled substances, are subject to forfeiture; providing for administrative forfeiture of such property with opportunity for judicial determination; providing for summary forfeiture of contraband, certain controlled substances, weapons following a conviction, and certain plants; providing for forfeiture by judicial action of property and proceeds associated with controlled substance violations and designated offenses; eliminating the requirement that forfeiture actions be dismissed if no associated conviction results; providing that a conviction creates the presumption that after-acquired property constitutes forfeitable proceeds of the offense; eliminating the defense of an owner who negligently allowed the unlawful use of the owner's property; providing that the right to forfeitable property passes to law enforcement agencies upon commission of unlawful act; allowing seizure without process incident to a lawful search without a warrant and in other circumstances; allocating the proceeds of forfeitures to law enforcement agencies and county attorneys; amending Minnesota Statutes 1986, section 152.21, subdivision 6; 609.531, subdivisions 4, 5, and by adding subdivisions; Minnesota Statutes 1987 Supplement, section 609.531, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 609; repealing Minnesota Statutes 1986, sections 152.19; and 609.531, subdivisions 2, 3, and 6.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 36, insert:

“Section 1. Minnesota Statutes 1986, section 152.205, is amended to read:

152.205 [LOCAL REGULATIONS.]

Sections 152.01, subdivision 18, and 152.092 to 152.095, and 152.19, subdivisions 1 and 3 do not preempt enforcement or preclude adoption of municipal or county ordinances prohibiting or otherwise regulating the manufacture, delivery, possession or advertisement of drug paraphernalia.”

Page 2, line 13, delete “13” and insert “14”.

Page 2, line 21, delete “4 to 13” and insert “5 to 14”

Page 3, line 6, after the first comma, insert “the department of natural resources, enforcement division,”

Page 3, line 7, delete “sheriff, the” and after “sheriffs” insert “department”

Page 3, line 8, delete “deputy” and delete “an officer of”

Page 3, lines 11 and 12, delete the new language and reinstate the stricken language

Page 3, line 35, delete "2 to 13" and insert "3 to 14"

Page 4, line 13, delete "2 to 13" and insert "3 to 14"

Page 5, lines 2, 6, and 30, delete "2 to 13" and insert "3 to 14"

Page 6, line 9, delete "paragraph (b)" and insert "this subdivision"

Page 6, line 12, delete "11" and insert "12"

Page 6, line 14, after "evidence" insert "except that in cases arising under section 9, the standard of proof is clear and convincing evidence"

Page 6, line 19, delete "8 or 9" and insert "9 or 10"

Page 6, after line 20, insert:

"(c) A court may not issue an order of forfeiture under section 11 while the alleged owner of the property is in custody or criminal proceedings are pending against the alleged owner. For forfeiture of a motor vehicle, the alleged owner is the registered owner according to records of the department of public safety. For real property, the owner is the owner of record. For other property, the owner is the person notified by the prosecuting authority in filing the forfeiture action."

Page 6, line 27, delete "13" and insert "14"

Page 7, line 34, delete "(a)"

Page 8, line 22, after the period, insert "A person claiming a security interest bears the burden of establishing that interest by clear and convincing evidence."

Page 8, line 25, delete "8 and 9" and insert "9 and 10"

Page 8, line 26, delete the first "subdivision" and insert "section" and delete everything after the period

Page 8, delete line 27

Page 8, line 28, delete everything before "A"

Page 10, line 1, delete "11" and insert "12"

Page 10, line 5, delete "20" and insert "60"

Page 10, line 28, delete "10" and insert "7"

Page 10, line 31, delete "10 or 11" and insert "11 or 12"

Page 10, line 32, after "to" insert a colon

Page 11, line 3, delete "or" and insert:

"(4) disburse money as provided under subdivision 5; or"

Page 11, line 4, delete "(4)" and insert "(5)"

Page 11, line 8, delete "11" and insert "12"

Page 11, line 18, delete "FORFEITED"

Page 11, line 20, delete the first comma

Page 11, line 22, delete "disposed" and insert "disbursed as provided under"

Page 11, line 23, delete everything before "subdivision"

Page 11, line 33, after the period, insert "Any local police relief association organized under chapter 423 that received or was entitled to receive the proceeds of any sale under this section before August 1, 1984, shall continue to be entitled to receive and retain the proceeds of the sales."

Page 12, line 24, delete "2 to 12" and insert "3 to 13"

Page 12, line 29, delete "14" and insert "15"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 28, delete "section" and insert "sections 152.205;"

Page 1, line 29, after "6;" insert "and"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 2321: A bill for an act proposing an amendment to the Minnesota Constitution, article I, section 4; providing for six-member juries in non-felony cases; conforming statutes to either the approval or rejection of the proposed amendment.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [CONSTITUTIONAL AMENDMENT PROPOSED.]

Subdivision 1. An amendment to the Minnesota Constitution, as provided by subdivisions 2 and 3, is proposed to the people.

Subd. 2. If the amendment is adopted, article I, section 4, will read as follows:

Sec. 4. The right of trial by jury shall remain inviolate, and shall extend to all cases at law without regard to the amount in controversy. A jury trial may be waived by the parties in all cases in the manner prescribed by law. The legislature may provide that the agreement of five-sixths of a jury in a civil action or proceeding, after not less than six hours' deliberation, is a sufficient verdict. *The legislature may provide for the number of jurors in a civil action or proceeding, provided that a jury have at least six members.*

Subd. 3. If the amendment is adopted, article I, section 6, will read as follows:

Sec. 6. In all criminal prosecutions the accused shall enjoy the right to a speedy and public trial by an impartial jury of the county or district wherein the crime shall have been committed, which county or district shall have been previously ascertained by law. *In all prosecutions of crimes defined by law as felonies, the accused has the right to a jury of 12 members. In all other criminal prosecutions, the legislature may provide for the number of jurors, provided that a jury have at least six members.* The accused shall enjoy the right to be informed of the nature and cause of the

accusation, to be confronted with the witnesses against him, to have compulsory process for obtaining witnesses in his favor and to have the assistance of counsel in his defense.

Sec. 2. [SUBMISSION TO VOTERS.]

The proposed amendment must be submitted to the people at the 1988 general election. The question submitted shall be:

“Shall the Minnesota Constitution be amended to allow the use of juries of less than 12 members in civil and nonfelony cases?”

Yes
No

Election procedures shall be as provided by law.”

Delete the title and insert:

“A bill for an act proposing an amendment to the Minnesota Constitution, article I, sections 4 and 6; providing for six-member juries in civil and nonfelony cases.”

And when so amended the bill do pass and be re-referred to the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F No. 2426: A bill for an act relating to the state and local governments; providing immunity from civil liability for volunteers serving the state and local governments; amending Minnesota Statutes 1986, section 466.01, by adding a subdivision; Minnesota Statutes 1987 Supplement, section 3.736, subdivision 3; and proposing coding for new law in Minnesota Statutes, chapter 466.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1987 Supplement, section 3.736, subdivision 3, is amended to read:

Subd. 3. [EXCLUSIONS.] Without intent to preclude the courts from finding additional cases where the state and its employees should not, in equity and good conscience, pay compensation for personal injuries or property losses, the legislature declares that the state and its employees are not liable for the following losses:

- (a) Any loss caused by an act or omission of a state employee exercising due care in the execution of a valid or invalid statute or rule;
- (b) Any loss caused by the performance or failure to perform a discretionary duty, whether or not the discretion is abused;
- (c) Any loss in connection with the assessment and collection of taxes;
- (d) Any loss caused by snow or ice conditions on any highway or public sidewalk that does not abut a publicly-owned building or a publicly-owned parking lot, except when the condition is affirmatively caused by the negligent acts of a state employee;
- (e) Any loss caused by wild animals in their natural state, except as

provided in section 3.7371;

(f) Any loss other than injury to or loss of property or personal injury or death;

(g) Any loss caused by the condition of unimproved real property owned by the state, which means land that the state has not improved, and appurtenances, fixtures, and attachments to land that the state has neither affixed nor improved;

(h) Any loss incurred by a user within the boundaries of the outdoor recreation system and arising from the construction, operation, or maintenance of the system, as defined in section 86A.04, or from the clearing of land, removal of refuse, and creation of trails or paths without artificial surfaces, or from the construction, operation, or maintenance of a water access site created by the iron range resources and rehabilitation board, except that the state is liable for conduct that would entitle a trespasser to damages against a private person;

(i) Any loss of benefits or compensation due under a program of public assistance or public welfare, except where state compensation for loss is expressly required by federal law in order for the state to receive federal grants-in-aid;

(j) Any loss based on the failure of any person to meet the standards needed for a license, permit, or other authorization issued by the state or its agents;

(k) Any loss based on the usual care and treatment, or lack of care and treatment, of any person at a state hospital or state corrections facility where reasonable use of available appropriations has been made to provide care;

(l) Any loss, damage, or destruction of property of a patient or inmate of a state institution;

(m) Any loss for which recovery is prohibited by section 169.121, subdivision 9; ~~and~~

(n) Any loss caused by an aeration, bubbler, water circulation, or similar system used to increase dissolved oxygen or maintain open water on the ice of public waters, that is operated under a permit issued by the commissioner of natural resources; *and*

(o) Any loss caused by the act or omission of a person who provides volunteer services if that person was acting within the scope of the person's responsibility and is not guilty of malfeasance in office or willful or wanton actions or neglect of duty. This section does not limit the liability of a person who provides volunteer services for physical injury to a person or for wrongful death that is personally and directly caused by the person who provides volunteer services.

The state will not pay punitive damages.

Sec. 2. Minnesota Statutes 1987 Supplement, section 44A.02, subdivision 3, is amended to read:

Subd. 3. [EMPLOYEES.] The president may appoint employees and prescribe their duties. Employees and officers of the corporation are not state employees, but *are covered by section 3.736, subdivision 3, and at the option of the board may participate in the following plans for employees*

in the unclassified service: the state retirement plan, the state deferred compensation plan, and the health insurance and life insurance plans. The president may delegate to a subordinate the exercise of specified statutory powers or duties as the president deems advisable, subject to the control of the president.

Sec. 3. Minnesota Statutes 1987 Supplement, section 116O.03, is amended by adding a subdivision to read:

Subd. 10. [INDEMNIFICATION.] The corporation is a state agency for purposes of section 3.736, subdivision 9.

Sec. 4. Minnesota Statutes 1987 Supplement, section 116O.04, subdivision 2, is amended to read:

Subd. 2. [STATUS OF EMPLOYEES.] Employees, officers, and directors of the corporation are not state employees, but are covered by section 3.736, subdivision 3, and, at the option of the board, may participate in the state retirement plan and the state deferred compensation plan for employees in the unclassified service and an insurance plan administered by the commissioner of employee relations.

Sec. 5. Minnesota Statutes 1987 Supplement, section 317.201, subdivision 1, is amended to read:

Subdivision 1. [GENERALLY.] Except as provided in subdivision 2, no person who serves without compensation as a director, officer, trustee, member, or agent of an organization exempt from state income taxation under section 290.05, subdivision 2, or who serves without compensation as a fire chief of a nonprofit firefighting corporation or municipal volunteer fire department, or of a public corporation established by law but not considered a municipality, shall be held civilly liable for an act or omission by that person if the act or omission was in good faith, was within the scope of the person's responsibilities as a director, officer, trustee, member, agent, or fire chief of the organization, and did not constitute willful or reckless misconduct.

Sec. 6. Minnesota Statutes 1986, section 466.01, is amended by adding a subdivision to read:

Subd. 6. [EMPLOYEE, OFFICER, OR AGENT.] For the purposes of sections 466.01 to 466.15, "employee," "officer," or "agent" means a present or former employee, officer, or agent of a municipality, or other person acting on behalf of the municipality in an official capacity, temporarily or permanently, with or without compensation, but does not include an independent contractor.

Sec. 7. [466.041] [VOLUNTEER IMMUNITY.]

A person who provides volunteer services to a municipality is immune from civil liability if the person was acting within the scope of the person's responsibility and is not guilty of malfeasance in office or willful or wanton neglect of duty. This section does not limit the liability of a person who provides volunteer services to a municipality for physical injury to a person or for wrongful death that is personally and directly caused by the person who provides volunteer services.

Sec. 8. Minnesota Statutes 1987 Supplement, section 604.08, subdivision 1, is amended to read:

Subdivision 1. [GRANT.] No individual who provides services or assistance without compensation as an athletic coach, manager, or official for a sports team that is organized or performing under a nonprofit charter, and no community-based, voluntary nonprofit athletic association, or any volunteer of the nonprofit athletic association, is liable for money damages to a player ~~or~~, participant, or *spectator* as a result of an individual's acts or omissions in the providing of that service or assistance.

This section applies to organized sports competitions and practice and instruction in that sport.

For purposes of this section, "compensation" does not include reimbursement for expenses."

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "providing that employees and officers of the world trade center board and greater Minnesota corporation are state employees for purposes of immunity; providing that officers and directors of public corporations are immune from liability under standards for nonprofit corporations; clarifying immunity from civil liability for certain athletic officials;"

Page 1, line 7, delete "section" and insert "sections" and after the semicolon, insert "44A.02, subdivision 3; 116O.03, by adding a subdivision; 116O.04, subdivision 2; 317.201, subdivision 1; and 604.08, subdivision 1;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 2068: A bill for an act relating to guardianship; permitting appointment of any number of guardians; permitting the appointment of guardians who reside outside the state; amending Minnesota Statutes 1986, section 525.54, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 525.54, subdivision 1, is amended to read:

Subdivision 1. [ADULTS SUBJECT TO GUARDIANSHIP AND CONSERVATORSHIP.] Upon petition as provided in this chapter, the court, if satisfied of the need therefor, may appoint one or ~~two~~ *more* persons suitable and competent to discharge the trust as guardians of the person or estate or of both or as conservators of the person or the estate or of both, of any incapacitated person.

Sec. 2. Minnesota Statutes 1986, section 525.544, subdivision 2, is amended to read:

Subd. 2. [OTHER CASES.] If the proposed ward or conservatee lacks capacity or fails to nominate a conservator or guardian, the court may appoint a qualified person if the court finds that the person's appointment is in the best interests of the proposed ward or conservatee. *A proposed*

guardian or conservator need not reside in this state if the proposed guardian or conservator is able to maintain a current understanding of the ward's or conservatee's physical and mental status and needs. If the proposed ward or conservatee lacks capacity or fails to give instructions, the court may give the guardian or conservator powers as required in accordance with section 525.56."

Amend the title as follows:

Page 1, delete lines 5 and 6 and insert "Minnesota Statutes 1986, sections 525.54, subdivision 1; and 525.544, subdivision 2."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

H.F. No. 1659: A bill for an act relating to constables; authorizing town boards to form law enforcement agencies; abolishing the office of constable; authorizing the board of peace officer standards and training to issue peace officer licenses to persons possessing constable licenses; amending Minnesota Statutes 1986, sections 367.40, subdivision 3, and by adding a subdivision; and 367.42, subdivision 1, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 367; repealing Minnesota Statutes 1986, sections 367.41, subdivisions 4 and 5; 367.42, subdivision 2; 626.843, subdivision 1a; and 626.845, subdivision 2; and Minnesota Statutes 1987 Supplement, sections 367.03, subdivision 3; and 367.41, subdivision 1.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

H.F. No. 1773: A bill for an act relating to the statutes; directing the revisor of statutes to assign chapter numbers to enrollments and publish bills in Laws of Minnesota in the chapter number order; providing for showing on enrollments and publications of the time of final enactment of bills; maintaining existing law on determination of final enactment despite the change in the method of numbering chapters of enrollments and publications; amending Minnesota Statutes 1986, sections 3.19; 3C.04, subdivision 5; 3C.06, subdivision 1; and 645.01; proposing coding for new law in Minnesota Statutes, chapter 4.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 2394: A bill for an act relating to property interests; setting the effective date of the uniform statutory rule against perpetuities; amending Minnesota Statutes 1987 Supplement, section 501A.05; and Laws 1987, chapter 60, section 10.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

Mr. Chmielewski from the Committee on Employment, to which was referred

S.F. No. 2473: A bill for an act relating to workers' compensation; regulating self-insurance; establishing a self-insurer guaranty fund; proposing coding for new law as Minnesota Statutes, chapter 176C.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [176C.01] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For the purposes of sections 1 to 17 the terms defined in this section have the meaning given them.

Subd. 2. [COMMISSIONER.] "Commissioner" means the commissioner of commerce except where specifically stated otherwise.

Subd. 3. [INCURRED LIABILITIES FOR THE PAYMENT OF COMPENSATION.] "Incurred liabilities for the payment of compensation" means the sum of both of the following:

(1) an estimate of future workers' compensation benefits, including medical and indemnity; and

(2) an amount determined by the commissioner to be reasonably adequate to assure the administration of claims, including legal costs, but not to exceed ten percent of future workers' compensation benefits.

Subd. 4. [INSOLVENT SELF-INSURER.] "Insolvent self-insurer" means either a member private self-insurer who has failed to pay compensation as a result of a declaration of bankruptcy or insolvency by a court of competent jurisdiction and whose security deposit has been called by the commissioner pursuant to chapter 176, or a member self-insurer who has failed to pay compensation and who has been issued a certificate of default by the commissioner and whose security deposit has been called by the commissioner pursuant to chapter 176.

Subd. 5. [MEMBER.] "Member" means a private self-insurer which participates in the self-insurers' security fund.

Subd. 6. [PRIVATE SELF-INSURER.] "Private self-insurer" means a member private employer which is self-insured or group self-insured against liability for workers' compensation under chapter 176. It does not include the state of Minnesota or its political subdivisions.

Subd. 7. [SECURITY FUND.] "Security fund" means the self-insurers' security fund established pursuant to this chapter.

Subd. 8. [TRUSTEES.] "Trustees" means the board of trustees of the self-insurers' security fund.

Sec. 2. [176C.02] [SELF-INSURANCE APPLICATIONS.]

Subdivision 1. [PROCEDURE.] Each employer desiring to self-insure individually shall apply to the commissioner on forms available from the commissioner. The commissioner shall grant or deny the application within 30 days after a complete application is filed. The time limit may be extended for another 30 days upon 15 days' prior notice to the applicant. Any grant of authority to self-insure shall continue in effect until revoked by order of the commissioner or until such time as the employer becomes insured.

Subd. 2. [CERTIFIED FINANCIAL STATEMENT.] Each application for self-insurance shall be accompanied by a certified financial statement. Certified financial statements for a period ending more than six months prior to the date of the application must be accompanied by an affidavit, signed by a company officer under oath, stating that there has been no material lessening of the net worth nor other adverse changes in its financial condition since the end of the period.

Subd. 3. [NET WORTH.] Each individual self-insurer shall have and maintain a net worth at least equal to the greater of ten times the retention limit selected with the workers' compensation reinsurance association or one-third the amount of the self-insurer's current annual modified premium. The requirements of this subdivision shall be modified if the self-insurer can demonstrate through a reinsurance program, other than coverage provided by the workers' compensation reinsurance association, that it can pay expected losses without endangering the financial stability of the company.

Subd. 4. [ASSETS, NET WORTH, AND LIQUIDITY.] Each individual self-insurer shall have and maintain sufficient assets, net worth, and liquidity to promptly and completely meet all of its obligations that may arise under chapter 176 or this act. In determining whether a self-insurer meets this requirement, the commissioner shall consider the self-insurer's current ratio; its long-term and short-term debt to equity ratios; its net worth; financial characteristics of the particular industry in which the self-insurer is involved; any recent changes in the management and ownership of the company; any excess insurance purchased by the self-insurer from a licensed company or an authorized surplus line carrier, other than excess insurance from the workers' compensation reinsurance association; any other financial data submitted to the commissioner by the company; and the company's workers' compensation experience for the last four years.

Subd. 5. [GUARANTEE BY AFFILIATES.] Where an employer seeking to self-insure fails to meet the financial requirements set forth in subdivisions 3 and 4, the commissioner shall grant authority to self-insure provided that an affiliated company, whose financial statement is filed with the commissioner and meets the requirements set forth in subdivisions 3 and 4, provides a written guarantee adopted by resolution of its board of directors that it will pay all workers' compensation claims incurred by its affiliate, and that it will not terminate the guarantee under any circumstances without first giving the commissioner and its affiliate 30 days' written notice. If said guarantee is withdrawn or if the guarantor ceases being an affiliate, the affiliate shall give written notice to the commissioner and the self-insured. The self-insured's authority to self-insure shall automatically terminate upon expiration of the 30-day notice period.

Subd. 6. [APPLICATIONS FOR GROUP SELF-INSURANCE.] (a) Two or more employers may apply to the commissioner for the authority to self-insure as a group, using forms available from the commissioner. This initial application shall be accompanied by a copy of the bylaws or plan of operation adopted by the group. Such bylaws or plan of operation shall conform to the conditions prescribed by law or rule. The commissioner shall approve or disapprove the bylaws within 30 days unless a question as to the legality of a specific bylaw or plan provision has been referred to the attorney general's office. The commissioner shall make a determination as to the application within 15 days after receipt of the requested response from the attorney general's office.

(b) After the initial application and the bylaws or plan of operation have been approved by the commissioner or at the time of the initial application, the group shall submit the names of employers that will be members of the group; an indemnity agreement providing for joint and several liability for all group members for any and all workers' compensation claims incurred by any member of the group, as set forth in Minnesota Rules, part 2780.9920; signed by an officer of each member; and an accounting review performed by a certified public accountant. A certified financial audit may be filed in lieu of an accounting review.

Subd. 7. [FINANCIAL STANDARDS.] A group proposing to self-insure shall have and maintain:

(a) A combined net worth of all of the members of an amount at least equal to the greater of ten times the retention selected with the workers' compensation reinsurance association or one-third of the current annual modified premium of the members. The requirements of this item shall be modified if the self-insurer can demonstrate that through excess insurance, other than coverage provided by the workers' compensation reinsurance association, it can pay expected losses.

(b) Sufficient assets, net worth, and liquidity to promptly and completely meet all obligations of its members under chapter 176 or this act. In determining whether a group is in sound financial condition, consideration shall be given to the combined net worth of the member companies; the consolidated long-term and short-term debt to equity ratios of the member companies; any excess insurance other than reinsurance with the workers' compensation reinsurance association, purchased by the group from an insurer licensed in Minnesota or from an authorized surplus line carrier; other financial data requested by the commissioner or submitted by the group; and the combined workers' compensation experience of the group for the last four years.

Subd. 8. [PROCESSING APPLICATION.] The commissioner shall grant or deny the group's application to self-insure within 60 days after a complete application has been filed, provided that the time may be extended for an additional 30 days upon 15 days' prior notice to the applicant. The commissioner shall grant approval for self-insurance upon a determination that the financial ability of the self-insurer's group is sufficient to fulfill all joint and several obligations of the member companies that may arise under chapter 176 or this act; the gross annual premium of the group members is at least \$300,000; the group has established a fund pursuant to Minnesota Rules, parts 2780.4100 to 2780.5000; the group has contracted with a licensed workers' compensation service company to administer its program; and the required securities or surety bond shall be on deposit prior to the effective date of coverage for any member. Approval shall be effective until revoked by order of the commissioner or until the employer members of the group become insured.

Subd. 9. [FILING REPORTS.] (a) Incurred losses, paid and unpaid, specifying indemnity and medical losses by classification, payroll by classification, and current estimated outstanding liability for workers' compensation shall be reported to the commissioner by each self-insurer on a calendar year basis, in a manner and on forms available from the commissioner. Payroll information must be filed by April 1 of the following year, and loss information and total workers' compensation liability must be filed by August 1 of the following year.

(b) Each self-insurer shall, under oath, attest to the accuracy of each report submitted pursuant to paragraph (a). Upon sufficient cause, the commissioner shall require the self-insurer to submit a certified audit of payroll and claim records conducted by an independent auditor approved by the commissioner, based on generally accepted accounting principles and generally accepted auditing standards, and supported by an actuarial review and opinion of the future contingent liabilities. The basis for sufficient cause shall include the following factors: where the losses reported appear significantly different from similar types of businesses; where major changes in the reports exist from year to year, which are not solely attributable to economic factors; or where the commissioner has reason to believe that the losses and payroll in the report do not accurately reflect the losses and payroll of that employer. If any discrepancy is found, the commissioner shall require changes in the self-insurer's or workers' compensation service company record keeping practices.

(c) With the annual loss report due August 1, each self-insurer shall report to the commissioner any workers' compensation claim from the previous year where the full, undiscounted value is estimated to exceed \$50,000, in a manner and on forms prescribed by the commissioner.

(d) Each individual self-insurer shall, within four months after the end of its fiscal year, annually file with the commissioner its latest 10K report required by the Securities and Exchange Commission. If an individual self-insurer does not prepare a 10K report, it shall file an annual certified financial statement, together with such other financial information as the commissioner may require to substantiate data in the financial statement.

(e) Each group self-insurer shall, within four months after the end of the fiscal year for that group, annually file a statement showing the combined net worth of its members based upon an accounting review performed by a certified public accountant, together with such other financial information the commissioner may require to substantiate data in the group's summary statement.

(f) In addition to the financial statements required by paragraphs (d) and (e), interim financial statements or 10Q reports required by the Securities and Exchange Commission may be required by the commissioner upon an indication that there has been deterioration in the self-insurer's financial condition, including a worsening of current ratio, lessening of net worth, net loss of income, the downgrading of the company's bond rating, or any other significant change that may adversely affect the self-insurer's ability to pay expected losses. Any self-insurer that files an 8K report with the Securities and Exchange Commission shall also file a copy of the report with the commissioner within 30 days of the filing with the Securities and Exchange Commission.

Subd. 10. [ANNUAL AUDIT.] The accounts and records of the group self-insurer's fund shall be audited annually. Audits shall be made by certified public accountants, based on generally accepted accounting principles and generally accepted auditing standards, and supported by actuarial review and opinion of the future contingent liabilities, in order to determine the solvency of the self-insurer's fund. All audits required by this subdivision shall be filed with the commissioner 90 days after the close of the fiscal year for the group self-insurer. The commissioner may require a special audit to be made at other times if the financial stability of the fund or the adequacy of its monetary reserves is in question.

Subd. 11. [JOINT AND SEVERAL LIABILITY.] All members of a private self-insurer group shall be jointly and severally liable for the obligations incurred by any member of the same group under chapter 176.

Subd. 12. [COMMISSIONER REVIEW.] The commissioner shall annually review the documents and reports filed by the private self-insurer.

Sec. 3. [176C.03] [PRIVATE SELF-INSURING EMPLOYER; ANNUAL RENEWAL OR DEPOSIT OF NEW SECURITY FOR PAYMENT OF COMPENSATION.]

Subdivision 1. [ANNUAL SECURING OF LIABILITY.] Each year every private self-insuring employer shall secure incurred liabilities for the payment of compensation and the performance of the obligations of employers imposed under chapter 176 by renewing the prior year's security deposit or by making a new deposit of security. If a new deposit is made, it must be posted within 60 days of the filing of the self-insured employer's annual report with the commissioner, but in no event later than July 1.

Subd. 2. [MINIMUM DEPOSIT.] The minimum deposit is 110 percent of the private self-insurer's estimated future liability. Up to ten percent of that deposit may be used to secure payment of all administrative and legal costs relating to or arising from the employer's self-insuring. As used in this section, "private self-insurers' estimated future liability" means the private self-insurers' total of estimated future liability as determined by a member of the casualty actuarial society every two years for non-group member private self-insurers, and every year for group member private self-insurers. Estimated future liability is determined by first taking the total amount of the self-insured's future liability of workers' compensation claims and then deducting the total amount which is estimated to be returned to the self-insurer from any specific excess insurance coverage, aggregate excess insurance coverage, and any supplementary benefits or second injury benefits which are estimated to be reimbursed by the special compensation fund. Supplementary benefits or second injury benefits will not be reimbursed by the special compensation fund unless the special compensation fund assessment pursuant to section 176.129 is paid and the reports required thereunder are filed with the special compensation fund. In the case of surety bonds, bonds shall secure administrative and legal costs in addition to the liability for payment of compensation reflected on the face of the bond. In no event shall the security be less than the last retention limit selected by the self-insurer with the workers' compensation reinsurance association. The posting or depositing of security pursuant to this section shall release all previously posted or deposited securities from any obligations under the posting or depositing.

Subd. 3. [TYPE OF ACCEPTABLE SECURITY.] The commissioner may only accept as security, and the employer shall deposit as security, cash, approved government securities, surety bonds, or irrevocable letters of credit in any combination. Interest or dividend income or other income generated by the security shall be paid to the member or, at the member's direction, applied to the member's security requirement. The current deposit shall include within its coverage all amounts covered by terminated surety bonds. As used in this chapter, an irrevocable letter of credit shall be accepted only if it is clean, irrevocable, and contains an evergreen clause.

(a) "Clean" means a letter of credit that is not conditioned on the delivery of any other documents or materials.

(b) "Irrevocable" means a letter of credit that cannot be modified or revoked without the consent of the beneficiary, once the beneficiary is established.

(c) "Evergreen clause" means one which specifically states that expiration of a letter of credit will not take place without a 60-day notice by the insurer and one which allows the issuer to conduct an annual review of the account party's financial condition. If prior notice of expiration is not given by the issuer, the letter of credit is automatically extended for one year.

A clean irrevocable letter of credit shall be accepted only if it is in the form prescribed by statute and is issued by a financial institution that is authorized to engage in banking in any of the 50 states or under the laws of the United States and whose business is substantially confined to banking and supervised by the state commissioner of commerce or banking or similar official, and which has a long-term debt rating by a recognized national rating agency of investment grade or better. If no long-term debt rating is available, the financial institution must have the equivalent investment grade financial characteristics.

Subd. 4. [EXONERATION OF SECURITY.] Surety bonds, irrevocable letters of credit, and documents showing issuance of any irrevocable letter of credit shall be deposited with, and, except where specified by statute, in a form approved by the commissioner.

Subd. 5. [DEPOSIT WITH STATE TREASURER.] Securities shall be deposited on behalf of the commissioner by the self-insured employer with the state treasurer or a financial institution approved by the commissioner. Securities shall be accepted by the state treasurer for deposit and shall be withdrawn only upon written order of the commissioner.

Subd. 6. [CASH DEPOSITS.] Cash shall be deposited in a financial institution approved by the commissioner, and in the account assigned to the state treasurer. Cash shall be withdrawn only upon written order of the commissioner.

Subd. 7. [PERFECTION OF SECURITY.] Upon the commissioner sending a request to renew, request to post, or request to increase a security deposit, a perfected security interest is created in the private self-insured's assets in favor of the commissioner to the extent of any then unsecured portion of the self-insured's incurred liabilities. That perfected security interest is transferred to any cash or securities thereafter posted by the private self-insured with the state treasurer and is released only upon either of the following:

(1) the acceptance by the commissioner of a surety bond or irrevocable letter of credit for the full amount of the incurred liabilities for the payment of compensation; or

(2) the return of cash or securities by the commissioner.

The private self-insured employer loses all right, title, and interest in and any right to control all assets or obligations posted or left on deposit as security. In the event of a declaration of bankruptcy or insolvency by a court of competent jurisdiction, or in the event of the issuance of a certificate of default by the commissioner, the commissioner shall liquidate the deposit as provided in this chapter, and transfer it to the self-insurer's security fund for application to the self-insured employer's incurred liability.

Subd. 8. [RETURN OF EXCESS AMOUNTS OF SECURITY TO PRIVATE SELF-INSURED EMPLOYER.] *The commissioner shall return on an annual basis to a private self-insured employer all amounts of security determined by the commissioner to be in excess of the statutory requirements to self-insure, including that necessary for administrative costs and legal fees, and the payment of any future workers' compensation claims.*

Subd. 9. [INSOLVENCY, BANKRUPTCY, OR DEFAULT; UTILIZATION OF SECURITY DEPOSIT.] *The commissioner of labor and industry shall notify the commissioner and the security fund if the commissioner of labor and industry has knowledge that any private self-insurer has failed to pay workers' compensation benefits as required by chapter 176. If the commissioner determines that a court of competent jurisdiction has declared the private self-insurer to be bankrupt or insolvent, and the private self-insurer has failed to pay workers' compensation as required by chapter 176 or, if the commissioner issues a certificate of default against a private self-insurer for failure to pay workers' compensation as required by chapter 176, then the security deposit shall be utilized to administer and pay the private self-insurers' workers' compensation obligations.*

Subd. 10. [NOTICE; OBLIGATION OF FUND.] *In the event of bankruptcy, insolvency, or certificate of default, the commissioner shall immediately notify the state treasurer, the surety, the issuer of an irrevocable letter of credit, and any custodian of the security required in this chapter. At the time of notification, the commissioner shall also call the security and transfer and assign it to the self-insurers' security fund. The commissioner shall also immediately notify the self-insurers' security fund, and order the security fund to assume the insolvent self-insurers' obligations for which it is liable under chapter 176. The security fund shall commence payment of these obligations within 14 days of this notification and order. Payments shall be made to claimants whose entitlement to benefits can be ascertained by the security fund, with or without proceedings before the department of labor and industry, the office of administrative hearings, the workers' compensation court of appeals, or the Minnesota supreme court. Upon the assumption of obligations by the security fund pursuant to the commissioner's notification and order, the security fund has the right to immediate possession of any posted or deposited security and the custodian, surety, or issuer of any irrevocable letter of credit or the commissioner, if in possession of it, shall turn over the security, proceeds of the surety bond, or letter of credit to the security fund together with the interest that has accrued since the date of the self-insured employer's insolvency. The self-insurers' security fund may administer payment of benefits, or it may retain a third-party administrator to do so.*

Subd. 11. [PRIORITY.] *Notwithstanding anything in this chapter to the contrary, any cash, securities, irrevocable letter of credit, specific excess or aggregate excess insurance proceeds, or any other security deposited or posted in accordance with this section shall be used first, when due, to pay workers' compensation claims. After that security has been exhausted, the payment of workers' compensation claims from self-insurers' security fund members' assessments may be made. Where the self-insurers' security fund member assessment account is used to pay workers' compensation claims on an emergency or an interim basis, pending receipt by the self-insurers' security fund of security which is due but not yet received, then the member assessment account shall be reimbursed for payment from the security when it is received, and the priorities stated above shall thereafter*

apply.

Subd. 12. [DUTY TO INFORM.] The commissioner shall be provided with any relevant information by the employer, any excess insurer, any third party administrator, or any issuer of any irrevocable letter of credit, issuer of any surety bond, or custodian of any security necessary for the commissioner to carry out the commissioner's obligations under this chapter. The commissioner shall provide this information to the self-insurers' security fund if necessary for the security fund to carry out its obligations under this chapter.

Subd. 13. [DISCHARGE AND RELEASE.] The payment of benefits by the self-insurers' security fund from security deposit proceeds shall release and discharge any custodian of the security deposit, surety, any issuer of a letter of credit, and the self-insured employer from liability to fulfill obligations to provide those same benefits as compensation, but does not release any person or entity from any liability to the security fund for full reimbursement. Any decision or determination made or any settlement approved by the commissioner or by an administrative law judge under subdivision 15 shall conclusively be presumed valid and binding as to all known claims arising out of the underlying dispute, unless an appeal is made pursuant to chapter 14. No security shall be exchanged more often than once every 90 days.

Subd. 14. [NOTICE TO SECURITY FUND.] The commissioner shall advise the self-insurers' security fund promptly after the receipt of information indicating that a private self-insurer may be unable to meet its compensation obligations. The commissioner shall advise the self-insurers' security fund of all determinations and directives and orders made or issued pursuant to this section.

Subd. 15. [DISPUTE RESOLUTION; APPEALS.] Disputes concerning the posting, renewal, termination, exoneration, or return of all or any portion of the security deposit, or any liability arising out of the posting or failure to post security, or adequacy of the security or reasonableness of administrative costs, including legal fees, and arising between or among a surety, the issuer of an agreement of assumption and guarantee of workers' compensation liabilities, the issuer of a letter of credit, any custodian of the security deposit, a private self-insurer, or the self-insurers' security fund shall be resolved by the commissioner. An appeal from the commissioner's written decision, determination, or order may be instituted pursuant to the contested case procedures of chapter 14. Payment of claims from the security deposit or by the self-insurers' security fund shall not be stayed pending the resolution of the disputes unless and until the administrative law judge issues a determination staying a payment of claims decision or determination of the commissioner or the self-insurers' security fund.

Subd. 16. [CERTIFICATE TO SELF-INSURE; REVOCATION.] If, following a private self-insurer's bankruptcy, insolvency, or certificate of default, the commissioner calls its security and proceeds in accordance with this section, the commissioner shall revoke the certificate to self-insure of the private self-insurer as soon as practicable but no later than 30 days after its security has been called.

Sec. 4. [176C.04] [REVOCATION OF CERTIFICATE TO SELF-INSURE.]

A certificate to self-insure may be revoked by the commissioner at any

time for good cause. After revocation, the self-insurer may request a hearing. Good cause includes, among other things, failure to maintain a security deposit as required by this chapter, failure to pay assessments of the self-insurers' security fund, or the failure or inability of the employer to fulfill obligations under chapter 176 or this chapter. Good cause also includes failure to provide proof of renewal of the security 15 days before its expiration.

A self-insured employer must comply with section 176.181 and all applicable rules to operate during the pendency of its appeal of a decision under this section.

Sec. 5. [176C.05] [THIRD-PARTY ADMINISTRATOR.]

Subdivision 1. [CERTIFICATE TO SELF-INSURE.] No person, firm, or corporation, other than an insurer admitted to transact workers' compensation insurance in this state, shall contract to administer claims of self-insured employers as a third-party administrator unless qualified to do so pursuant to section 60A.23, subdivision 8.

Subd. 2. [LOCAL OFFICE.] A third-party administrator who contracts to administer claims of a self-insured employer shall maintain an office in the state of Minnesota and shall be subject to regulation under this chapter and chapters 60A and 72A with respect to the adjustment, administration, and management of workers' compensation claims for any self-insured employer.

Subd. 3. [ANNUAL ESTIMATE OF LIABILITY.] A third-party administrator retained by a self-insured employer to administer the employer's workers' compensation claims shall estimate the total accrued liability of the employer for the payment of compensation for the employer's annual report to the commissioner and shall make the estimate both in good faith and with the exercise of a reasonable degree of care. The use of a third-party administrator does not discharge or alter the employer's responsibilities with respect to the report.

Subd. 4. [FAILURE TO SUBMIT REPORTS OR INFORMATION; PENALTY.] Failure to submit reports to the commissioner as required by this chapter may result in the assessment of a penalty which shall not exceed \$3,000 for each month or fraction thereof the report is past due. Failure to submit reports required by statute within 60 days from the due date without written consent of the commissioner shall result in the revocation of the certificate to self-insure. Penalties shall be deposited in the self-insurers security fund.

Subd. 5. [PRIVATE EMPLOYERS WHO HAVE CEASED TO BE SELF-INSURED.] Private employers who have ceased to be private self-insurers shall discharge their continuing obligations to secure the payment of compensation which is accrued during the period of self-insurance, for purposes of sections 1 to 17 by compliance with all of the following obligations of current certificate holders:

(1) Filing reports with the commissioner to carry out the requirements of this chapter;

(2) Depositing and maintaining a security deposit for accrued liability for the payment of any compensation which may become due, pursuant to chapter 176. However, if a private employer who has ceased to be a private self-insurer purchases an insurance policy from an insurer authorized to transact workers' compensation insurance in this state which provides

coverage of all claims for compensation arising out of injuries occurring during the period the employer was self-insured, whether or not reported during that period, the policy will discharge the obligation of the employer to maintain a security deposit for the payment of the claims covered under the policy. The policy may not be issued by an insurer unless it has previously been approved as to form and substance by the commissioner; and

(3) Paying within 30 days all assessments of which notice is sent by the security fund, for a period of seven years from the last day its certificate of self-insurance was in effect. Thereafter, the private employer who has ceased to be a private self-insurer may either: (a) continue to pay within 30 days all assessments of which notice is sent by the security fund until it has no incurred liabilities for the payment of compensation arising out of injuries during the period of self-insurance; or (b) pay the security fund a cash payment equal to four percent of the net present value of all remaining incurred liabilities for the payment of compensation under sections 176.101 and 176.111 as certified by a member of the casualty actuarial society. Assessments shall be based on the benefits paid by the employer during the last full calendar year of self-insurance on claims incurred during that year.

In addition to proceedings to establish liabilities and penalties otherwise provided, a failure to comply may be the subject of a proceeding before the commissioner. An appeal from the commissioner's determination may be taken pursuant to the contested case procedures of chapter 14, within 30 days of the commissioner's written determination.

Any current or past member of the self-insurers' security fund is subject to service of process on any claim arising out of chapter 176 or this chapter in the manner provided by section 303.13, subdivision 1, clause (3), or as otherwise provided by law. The issuance of a certificate to self-insure to the private self-insured employer shall be deemed to be the agreement that any process which is served in accordance with this section shall be of the same legal force and effect as if served personally within this state.

Sec. 6. [176C.06] [PREFERRED SUBROGATION RIGHTS OF SELF-INSURERS' SECURITY FUND OR SURETY.]

The self-insurers' security fund by making payment of compensation under this chapter has the same preference over the other debts of the principal or the principal's estate as is given by law to the person directly entitled to the compensation.

Sec. 7. [176C.07] [LEGISLATIVE INTENT.]

It is the intent of the legislature in enacting sections 7 to 9 to provide for the continuation of workers' compensation benefits delayed due to the failure of a private self-insured employer to meet its compensation obligations, whenever the commissioner of commerce issues a certificate of default or there is a declaration of bankruptcy or insolvency by a court of competent jurisdiction. With respect to the continued liability of a surety for claims that arise under a bond after termination of that bond and to a surety's liability for the cost of administration of claims, it is the intent of the legislature to provide that that liability ceases upon lawful termination of that bond. This applies to all surety bonds which are purchased by the self-insured employer after the effective date of this section. The legislature finds and declares that the establishment of the self-insurers' security fund is a necessary component of a complete system of workers'

compensation, required by chapter 176, to have adequate provisions for the comfort, health, safety, and general welfare of any and all workers and their dependents to the extent of relieving the consequences of any industrial injury or death, and full provision for securing the payment of compensation.

Sec. 8. [176C.08] [SECURITY FUND.]

Subdivision 1. [CREATION.] The self-insurers' security fund is established as a nonprofit corporation pursuant to the Minnesota nonprofit corporation act, sections 317.01 to 317.69. If any provision of the Minnesota nonprofit corporation act conflicts with any provision of this chapter, the provisions of this chapter apply. Each private self-insurer who is self-insured on the effective date of this act, or who becomes self-insured thereafter, shall participate as a member in the security fund. This participation shall be a condition of maintaining its certificate to self-insure.

Subd. 2. [BOARD OF TRUSTEES.] The security fund shall be governed by a nine-member board of trustees. Five of the trustees shall be representatives of private self-insurers who shall be elected by the members of the security fund, other than group self-insurers, each member having one vote. One of the trustees shall be a representative of the private group self-insurers who shall be elected by the members of the security fund who are group self-insurers, each group having one vote. Three of the trustees, including the group self-insurer trustee, initially elected by the members shall serve two-year terms, and three shall serve four-year terms. Thereafter, trustees shall be elected to four-year terms, and shall serve until their successors are elected and assume office pursuant to the bylaws of the security fund. Three additional trustees shall be appointed by the commissioner. Two of these trustees shall serve four-year terms. One of these trustees shall serve a two-year term. Thereafter, the trustees shall be appointed to four-year terms, and shall serve until their successors are appointed and assume office pursuant to the bylaws of the security fund. In addition to the nine trustees elected by the members or appointed by the commissioner, the commissioner or the commissioner's designee shall be an ex officio, nonvoting member of the board of trustees. A member of the board of trustees may designate another person to act in the member's place as though the member were acting and the designee's actions shall be deemed those of the member.

Subd. 3. [BYLAWS.] The security fund shall establish bylaws and a plan of operation, subject to the prior approval of the commissioner, necessary to the purposes of this chapter and to carry out the responsibilities of the security fund. The security fund may carry out its responsibilities directly or by contract, and may purchase services and insurance and borrow funds as it deems necessary for the protection of the members and their employees.

Subd. 4. [CONFIDENTIAL INFORMATION.] The security fund may receive private data concerning the financial condition of private self-insurers whose liabilities to pay compensation have become its responsibility and shall adopt bylaws to prevent dissemination of that information.

Subd. 5. [EMPLOYEES.] Security fund employees are not state employees and are not subject to any state civil service regulations.

Sec. 9. [176C.09] [ASSUMPTION OF WORKERS' COMPENSATION OBLIGATIONS OF INSOLVENT SELF-INSURER.]

Subdivision 1. [ORDER OF COMMISSIONER.] Upon order of the commissioner of commerce pursuant to section 3, subdivision 10, the security fund shall assume the workers' compensation obligations of an insolvent private self-insurer.

Subd. 2. [ACT OR OMISSIONS; PENALTIES.] Notwithstanding subdivision 1, the security fund shall not be liable for the payment of any penalties assessed for any act or omission on the part of any person other than the security fund or its appointed administrator, including, but not limited to, the penalties provided in chapter 176 unless the security fund or its appointed administrator would be subject to penalties under chapter 176 as the result of the actions of the security fund or its administrator.

Subd. 3. [PARTY IN INTEREST.] The security fund shall be a party in interest in all proceedings involving compensation claims against an insolvent self-insurer whose compensation obligations have been paid or assumed by the security fund. The security fund shall have the same rights and defenses as the insolvent private self-insurer, including, but not limited to, all of the following:

- (1) to appear, defend, and appeal claims;*
- (2) to receive notice of, investigate, adjust, compromise, settle, and pay claims; and*
- (3) to investigate, handle, and deny claims.*

Subd. 4. [PAYMENTS TO SECURITY FUND.] Notwithstanding anything in this chapter or chapter 176 to the contrary, in the event that the self-insurers' security fund assumes the obligations of any bankrupt or insolvent private self-insurer pursuant to this section, then the proceeds of any surety bond, workers' compensation reinsurance association, specific excess insurance or aggregate excess insurance policy, and any special compensation fund payment or second injury fund or supplementary benefit reimbursements shall be paid to the self-insurers' security fund instead of the bankrupt or insolvent private self-insurer or its successor in interest. No special compensation fund reimbursements shall be made to the security fund unless the special compensation fund assessments pursuant to section 176.129 are paid and the reports required thereunder are made to the special compensation fund.

Sec. 10. [176C.10] [REIMBURSEMENT FOR OBLIGATIONS PAID AND ASSUMED.]

Subdivision 1. [INSOLVENT INSURER.] The security fund shall have the right and obligation to obtain reimbursement from an insolvent private self-insurer up to the amount of the private self-insurer's workers' compensation obligations paid and assumed by the security fund, including reasonable administrative and legal costs. This right includes, but is not limited to, a right to claim for wages and other necessities of life advanced to claimants as subrogee of the claimants in any action to collect against the private self-insurer as debtor.

Subd. 2. [SECURITY DEPOSITS.] The security fund shall have the right and obligation to obtain from the security deposit of an insolvent private self-insurer the amount of the private self-insurer's compensation obligations, including reasonable administrative and legal costs, paid or assumed by the security fund. Reimbursement of administrative costs, including legal costs, shall be subject to approval by a majority of the

security fund's voting trustees. The security fund shall be a party in interest in any action to obtain the security deposit for the payment of compensation obligations of an insolvent self-insurer.

Subd. 3. [LEGAL ACTIONS.] The security fund shall have the right to bring an action against any person or entity to recover compensation paid and liability assumed by the security fund, including, but not limited to, any excess insurance carrier of the insolvent private self-insurer, and any person or entity whose negligence or breach of any obligation contributed to any underestimation of the private self-insurer's total accrued liability as reported to the commissioner.

Subd. 4. [PARTY IN INTEREST.] The security fund may be a party in interest in any action brought by any other person seeking damages resulting from the failure of an insolvent private self-insurer to pay workers' compensation required pursuant to this subdivision.

Sec. 11. [176C.11] [MAINTENANCE OF ASSETS OR LINE OF CREDIT TO CONTINUE PAYMENT OF COMPENSATION OBLIGATIONS.]

Subdivision 1. [ASSETS MAINTAINED.] The security fund shall maintain cash, readily marketable securities, or other assets, or a line of credit, approved by the commissioner, sufficient to immediately continue the payment of the compensation obligations of an insolvent private self-insurer pending receipt of the security deposit, surety bond proceeds, irrevocable letter of credit, or, if necessary, assessment of the members. The commissioner may establish the minimum amount to be maintained by, or immediately available to, the security fund for this purpose.

Subd. 2. [ASSESSMENT.] The security fund may assess each of its members a pro rata share of the funding necessary to carry out its obligation and the purposes of this chapter. Total annual assessments in any calendar year shall not exceed four percent of the workers' compensation benefits paid under sections 176.101 and 176.111 during the previous calendar year. The annual assessment calculation shall not include workers' compensation benefits paid which will be reimbursed by the special compensation fund. Funds obtained by assessments pursuant to this subdivision may only be used for the purposes of this chapter. The trustees shall certify to the commissioner the collection and receipt of all money from assessments, noting any delinquencies. The trustees shall take any action deemed appropriate to collect any delinquent assessments.

Sec. 12. [176C.12] [AUDIT; ANNUAL REPORT.]

The trustees shall annually contract for an independent certified audit of the financial activities of the fund. An annual report on the financial status of the fund as of June 30 shall be submitted to the commissioner and to each member.

The security fund shall be established on July 1, 1988, or 90 days after the effective date of this act, whichever occurs later. All applications for new and renewal private self-insurers which are made after the effective date of this act, prior to the establishment of the security fund, shall comply with all requirements of this chapter. Applications for new and renewal private self-insurers which are made after January 1, 1988, but prior to the effective date of this act shall, prior to the establishment of the security fund, comply with the requirements of this chapter. The security fund shall be liable for payment of benefits only for members where there has been

a declaration of bankruptcy or insolvency by a court of competent jurisdiction after the date on which the security fund is established, or where the commissioner has issued a certificate of default which has occurred after the date on which the security fund is established.

Sec. 13. [176C.13] [LETTER OF CREDIT FORM.]

The form for the letter of credit under this chapter shall be:

Effective Date

State of Minnesota (Beneficiary)

(Address)

Dear Sirs:

By order of (Self-Insurer) we are instructed to open a clean irrevocable Letter of Credit in your favor for United States \$ (Amount).

We undertake that drawings under this Letter of Credit will be honored upon presentation of your draft drawn on (Self-Insurer), at (Address) prior to expiration date.

The Letter of Credit expires on, but will automatically extend for an additional one year if you have not received by registered mail notification of intention not to renew 60 days prior to the original expiration date and each subsequent expiration date.

Except as expressly stated herein, this undertaking is not subject to any condition or qualification. The obligation of (issuing bank) under this letter of credit shall be the individual obligation of (issuing bank), in no way contingent upon reimbursement with respect thereto.

Very truly yours,

.....(Signature)

Sec. 14. [176C.14] [SURETY BOND FORM.]

The form for the surety bond hereunder shall be:

STATE OF MINNESOTA
 DEPARTMENT OF COMMERCE
 SURETY BOND OF SELF-INSURER OF WORKERS' COMPENSATION
 IN THE MATTER OF THE CERTIFICATE OF)

) SURETY BOND
) NO.
) PREMIUM:
)
)

Employer, Certificate No:)

KNOW ALL PERSONS BY THESE PRESENTS:

That
 (Employer)

whose address is
 as Principal, and
 (Surety)

a corporation organized under the laws of
 and authorized to transact a general surety business in the State of Min-
 nesota, as Surety, are held and firmly bound to the State of Minnesota in
 the penal sum of dollars (\$) for which
 payment we bind ourselves, our heirs, executors, administrators, succes-
 sors, and assigns, jointly and severally, firmly by these presents.

WHEREAS in accordance with Minnesota Statutes, chapter 176, the
 principal elected to self-insure, and made application for, or received from
 the commissioner of commerce of the state of Minnesota, a certificate to
 self-insure, upon furnishing of proof satisfactory to the commissioner of
 commerce of ability to self-insure and to compensate any or all employees
 of said principal for injury or disability, and their dependents for death
 incurred or sustained by said employees, pursuant to the terms, provisions,
 and limitations of said statute;

NOW THEREFORE, the conditions of this bond or obligation are such
 that if principal shall pay and furnish compensation, pursuant to the terms,
 provisions, and limitations of said statute to its employees for injury or
 disability, and to the dependents of its employees, then this bond or obli-
 gation shall be null and void; otherwise to remain in full force and effect.

FURTHERMORE, it is understood and agreed that:

1. This bond may be amended, by agreement between the parties hereto
 and the commissioner of commerce as to the identity of the principal herein
 named and, by agreement of the parties hereto, as to the premium or rate
 of premium. Such amendment must be by endorsement upon, or rider to,
 this bond, executed by the surety and delivered to or filed with the
 commissioner.

2. The surety does, by these presents, undertake and agree that the
 obligation of this bond shall cover and extend to all past, present, existing,
 and potential liability of said principal, as a self-insurer, to the extent of
 the penal sum herein named without regard to specific injuries, date or
 dates of injuries, happenings or events.

3. The penal sum of this bond may be increased or decreased, by agreement between the parties hereto and the commissioner of commerce, without impairing the obligation incurred under this bond for the overall coverage of the said principal, for all past, present, existing, and potential liability, as a self-insurer, without regard to specific injuries, date or dates of injuries, happenings or events, to the extent, in the aggregate, of the penal sum as increased or decreased. Such amendment must be by endorsement.

4. This bond shall be continuous in form and shall remain in full force and effect unless terminated in the manner provided by law.

5. The aggregate liability of the surety hereunder on all claims whatsoever shall not exceed the penal sum of this bond in any event.

6. In the event of a change in the proprietorship of the principal or the appointment of a receiver or trustee for said principal and 30 days after the receipt of notice by the commissioner of commerce, state of Minnesota, given by registered or certified mail, by the principal or surety, herein named, the obligation of this bond shall terminate, save and except as to all past, present, existing, and potential liability of the principal incurred as a self-insurer. This bond shall also terminate upon the revocation of the certificate to self-insure, save and except as to all past, present, existing, and potential liability of the principal, incurred as a self-insurer; and the principal and the surety, herein named, shall be notified in writing by said commissioner, in the event of such revocation.

7. If the said principal shall suspend payment of workers' compensation benefits or shall become insolvent or a receiver shall be appointed for its business, the undersigned surety will become liable for the workers' compensation obligations of the principal on the date benefits are suspended and the surety shall begin payments within 30 days after receipt of written notification by the commissioner of commerce of Minnesota to begin payments under the terms of this bond.

8. When the surety exercises its obligation to pay claims, it shall pay benefits due to the principal's injured workers without a form award of a compensation judge, the commissioner of labor and industry, the workers' compensation court of appeals, or the Minnesota supreme court, and such payment will be a credit against the penal sum of the bond. Administrative and legal costs incurred by the surety in discharging its obligations shall also be a charge against the penal sum of the bond; however, the total amount of this surety bond set aside for the payment of said administrative and legal expenses shall be limited to a maximum of ten percent of the total penal sum of the bond pursuant to Minnesota Statutes. Payment by the surety of the principal's obligation for administrative and legal expenses under said statute in an amount not to exceed ten percent of the penal sum of the bond shall satisfy in full the surety's obligation to pay said administrative and legal expenses of the principal.

9. If any part or provision of this bond shall be declared unenforceable or held to be invalid by a court of proper jurisdiction, such determination shall not affect the validity or enforceability of the other provisions or parts of this bond.

10. If the commissioner of commerce directs the self-insurers' security fund to assume the payment of the workers' compensation obligations of the principal pursuant to Minnesota Statutes, chapter 176, the surety shall pay upon written demand by the commissioner and within 30 days of receipt

of such demand to the self-insurers' security fund the entire penal sum of the bond that remains unpaid.

11. Disputes concerning the posting, renewal, termination, exoneration, or return of all or any portion of the principal's security deposit or any liability arising out of the posting or failure to post security, or the adequacy of the security or the reasonableness of administrative costs, including legal costs, arising between or among a surety, the issuer of an agreement of assumption and guarantee of workers' compensation liabilities, the issuer of a letter of credit, any custodian of the security deposit, the principal, or the self-insurers' security fund shall be resolved by the commissioner of commerce pursuant to Minnesota Statutes, chapter 176 and sections 1 to 17.

12. This bond is executed by the surety to comply with Minnesota Statutes, chapter 176 and sections 1 to 17, and said bond shall be subject to all terms and provisions thereof.

.....
Name of Surety

.....
Address

.....
City, State, Zip

THIS bond is executed under an unrevoked appointment or power of attorney.

I certify (or declare) under penalty of perjury under the laws of the state of Minnesota that the foregoing is true and correct.

.....
Date

.....
Signature of Attorney-In-Fact

.....
Printed or Typed Name of
Attorney-In-Fact

A copy of the transcript or record of the unrevoked appointment, power of attorney, bylaws, or other instrument, duly certified by the proper authority and attested by the seal of the insurer entitling or authorizing the person who executed the bond to do so for and in behalf of the insurer, must be filed in the office of the commissioner of commerce or must be included with this bond for such filing.

Sec. 15. [176C.15] [OPEN MEETING; ADMINISTRATIVE PROCEDURE ACT.]

The security fund and its board of trustees shall not be subject to the open meeting law, the open appointments law, the data privacy law, or, except where specifically set forth, the administrative procedure act.

Sec. 16. [176C.16] [RULES.]

The commissioner may adopt, amend, and repeal rules reasonably necessary to carry out the purposes of sections 1 to 16. This authorization includes, but is not limited to, the adoption of rules to do all of the following:

- (1) except as otherwise specifically provided by statute, specifying what

constitutes ability to self-insure and to pay any compensation which may become due under chapter 176;

(2) specifying what constitutes a failure or inability to fulfill an insolvent self-insurer's obligations under this chapter;

(3) interpreting and defining the terms used in this chapter;

(4) establishing procedures and standards for hearing and determinations, and providing for those determinations to be appealed;

(5) except where otherwise specifically provided by statute, specifying the standards, forms, and content of agreements, forms, and reports between parties who have obligations pursuant to this chapter;

(6) providing for the combinations and relative liabilities of security deposits, assumptions, and guarantees used pursuant to this chapter; and

(7) disclosing otherwise private data concerning self-insurers to courts or the self-insurers' security fund and specifying appropriate safeguards for that information.

Sec. 17. [EXISTING RULES.]

If there is any inconsistency among any rule or statute and this act, this act shall govern.

Sec. 18. [EFFECTIVE DATE.]

This act is effective July 1, 1988."

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "prescribing a penalty;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Frank from the Committee on Economic Development and Housing, to which was referred

S.F. No. 1971: A bill for an act relating to the town of White Bear; authorizing the town of White Bear to establish an economic development authority; giving the town of White Bear the powers of a city with respect to the authority.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, after line 1, insert:

"Sec. 2. [TOWN OF WHITE BEAR; DEVELOPMENT DISTRICT.]

Subdivision 1. [DEVELOPMENT DISTRICT.] The town of White Bear may establish one or more economic development districts to facilitate development within the town and for such purpose may exercise all of the powers granted to a city under Minnesota Statutes, sections 469.124 to 469.134.

Subd. 2. [TAX INCREMENT FINANCING.] The town of White Bear and its governing body have all the powers and duties granted to or imposed on a city and the governing body of a city under Minnesota Statutes, sections 469.174 to 469.179, with respect to any development undertaken in a development district created pursuant to subdivision 1.

Sec. 3. [469.1741] [TOWN AUTHORITY.]

No town may be authorized to exercise powers under sections 469.174 to 469.179 unless the town has the authority to exercise powers under section 368.01, is located within the metropolitan area as defined in section 473.121, subdivision 2, and has a population in excess of 5,000 persons."

Page 2, line 4, delete "section 1 is" and insert "sections 1 to 3 are"

Renumber the sections in sequence

Delete the title and insert:

"A bill for an act relating to economic development, authorizing the town of White Bear to establish an economic development authority and economic development districts, and to exercise tax increment financing powers; prohibiting the authorization of tax increment financing powers for certain towns; proposing coding for new law in Minnesota Statutes 1987 Supplement, chapter 469."

And when so amended the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Amendments adopted. Report adopted.

Mr. Frank from the Committee on Economic Development and Housing, to which was referred

S.F. No. 2170: A bill for an act relating to housing; requiring a landlord to pay damages for renting condemned residential premises; proposing coding for new law in Minnesota Statutes, chapter 504.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [504.245] [RENTAL OF CONDEMNED RESIDENTIAL PREMISES.]

A landlord, agent of a landlord, or other person acting under the landlord's direction or control may not accept rent or a security deposit for residential rental property from a tenant during a period in which the leased premises have been condemned or declared unfit for human habitation under the applicable state or local authority, if the tenancy commenced after the premises were condemned or declared unfit for human habitation. If a landlord, agent, or person acting under the landlord's direction or control violates this section, the landlord is liable to the tenant for actual damages and an amount equal to three times the amount of any money collected after the date of condemnation or declaration, plus costs, and attorney fees."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Frank from the Committee on Economic Development and Housing, to which was referred

S.F. No. 1297: A bill for an act relating to the city of Redwood Falls; authorizing an economic development authority to construct and furnish buildings; authorizing the authority to issue general obligation bonds subject to a reverse referendum; authorizing the establishment of certain economic development districts.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [PORT AUTHORITY.]

The city of Redwood Falls may, by adoption of an enabling resolution in compliance with the procedural requirements of section 3, establish a port authority commission that, subject to section 2, has the same powers as a port authority established under Minnesota Statutes, section 458.09, or other law, and a housing and redevelopment authority established under Minnesota Statutes, chapter 462, or other law, and is an agency that may administer one or more municipal development districts under Minnesota Statutes, section 472A.10. The port authority commission may exercise any of these powers within industrial development districts or within other property under the jurisdiction of the commission. The port authority commission may enter into agreements with nonprofit organizations or corporations, limited to joint venture and limited partnership agreements, in order to carry out its purposes. If the city establishes a port authority commission under this section, the city shall exercise all the powers in dealing with a port authority that are granted to a city by Minnesota Statutes, chapter 458, and all powers in dealing with a housing and redevelopment authority that are granted to a city by Minnesota Statutes, chapter 462, or other law.

Sec. 2. [LIMITATION OF POWERS.]

Subdivision 1. [IN THIS SECTION.] The enabling resolution may impose the limits listed in this section on the actions of the port authority.

Subd. 2. [NOT USE SPECIFIED POWERS.] The enabling resolution may require that the port authority must not use specified powers contained in Minnesota Statutes, chapters 458 and 462, or that the port authority must not use powers without the prior approval of the city council.

Subd. 3. [TRANSFER RESERVES.] The enabling resolution may require the port authority to transfer a portion of the reserves generated by activities of the port authority that the city council determines is not necessary for the successful operation of the port authority, to the city general fund, to be used for any general purpose of the city. Reserves previously pledged by the port authority must not be transferred.

Subd. 4. [BOND APPROVAL.] The enabling resolution may require that the sale of bonds or obligations other than general obligation tax supported bonds or obligations issued by the port authority be approved by the city council before issuance.

Subd. 5. [BUDGET PROCESS.] The enabling resolution may require that the port authority follow the budget process for city departments as provided by the city and as implemented by the city council and mayor.

Subd. 6. [LEVY APPROVAL.] The enabling resolution may require that the port authority must not levy a tax for its benefit without approval of the city council.

Subd. 7. [CONSISTENT WITH CITY PLAN.] The enabling resolution may require that all official actions of the port authority must be consistent with the adopted comprehensive plan of the city, and official controls implementing the comprehensive plan.

Subd. 8. [PROJECT APPROVAL.] The enabling resolution may require that the port authority submit to the city council for approval by resolution any proposed project as defined in Minnesota Statutes, section 273.73, subdivision 8.

Subd. 9. [GOVERNMENTAL RELATIONS.] The enabling resolution may require that the port authority submit all planned activities for influencing the action of any other governmental agency, subdivision, or body to the city council for approval.

Subd. 10. [ADMINISTRATION, MANAGEMENT.] The enabling resolution may require that the port authority submit its administrative structure and management practices to the city council for approval.

Subd. 11. [EMPLOYEE APPROVAL.] The enabling resolution may require that the port authority must not employ anyone without the approval of the city council.

Subd. 12. [OTHER LIMITS.] The enabling resolution may impose any other limit or control established by the city council.

Subd. 13. [MODIFICATIONS.] The enabling resolution may be modified at any time, subject to subdivision 16. A modification must be made according to the procedural requirements of section 3.

Subd. 14. [MODIFICATION PROCEDURE.] Each year, within 60 days of the anniversary date of the first adoption of the enabling resolution, the port authority shall submit a report to the city council stating whether and how it wishes the enabling resolution to be modified. Within 30 days of receipt of the recommendation, the city council shall review the enabling resolution, consider the recommendations of the port authority, and make any modification it considers appropriate. A modification must be made according to the procedural requirements of section 3. The petition requirement does not limit the right of the port authority to petition the city council at any time.

Subd. 15. [COUNCIL ACTION CONCLUSIVE.] A determination by the city council that the limits imposed under this section have been complied with by the port authority is conclusive.

Subd. 16. [NOT TO IMPAIR BONDS, CONTRACTS.] Limits imposed under this section must not be applied in a manner that impairs the security of any bonds issued or contracts executed before the limit is imposed. The city council must not modify any limit in effect at the time any bonds or obligations are issued or contracts executed to the detriment of the holder of the bonds or obligations or any contracting party.

Sec. 3. [PROCEDURAL REQUIREMENT.]

(a) The creation of a port authority by the city of Redwood Falls must be by written resolution known as the enabling resolution. Before adoption of the enabling resolution, the city council shall conduct a public hearing. Notice of the time and place of hearing, a statement of the purpose of the hearing, and a summary of the resolution must be published in a newspaper of general circulation within the city once a week for two consecutive weeks. The first publication must appear within 30 days before the public hearing.

(b) A modification to the enabling resolution must be by written resolution and must be adopted after notice is given and a public hearing

conducted as required for the original adoption of the enabling resolution.

Sec. 4. [GENERAL OBLIGATION BONDS.]

The port authority must not proceed with the sale of general obligation tax supported bonds until the city council by resolution approves the proposed issuance. The resolution must be published in the official newspaper. If, within 30 days after the publication, a petition signed by voters equal in number to ten percent of the number of voters at the last regular city election is filed with the city clerk, the city and port authority must not issue the general obligation tax supported bonds until the proposition has been approved by a majority of the votes cast on the question at a regular or special election.

Sec. 5. [NAME.]

The city may choose the name of the port authority commission.

Sec. 6. [REMOVAL OF COMMISSIONERS FOR CAUSE.]

A commissioner of the port authority may be removed by the city council for inefficiency, neglect of duty, or misconduct in office. A commissioner may be removed only after a hearing. A copy of the charges must be given to the commissioner at least ten days before the hearing. The commissioner must be given an opportunity to be heard in person or by counsel at the hearing. After the charges have been submitted to a commissioner, the city council may temporarily suspend the commissioner. If the city council finds that the charges have not been substantiated, the commissioner shall be immediately reinstated. If a commissioner is removed, a record of the proceedings, together with the charges and findings, must be filed in the office of the city clerk.

Sec. 7. [LOCAL APPROVAL.]

Sections 1 to 6 are effective for the city of Redwood Falls the day after the city complies with Minnesota Statutes, section 645.021, subdivision 3."

Delete the title and insert:

"A bill for an act relating to local government; granting the city of Redwood Falls the authority to establish a port authority; authorizing the port authority to exercise the power of a municipal housing and redevelopment authority; authorizing the city to impose restrictions and limitations upon the powers and procedures of the port authority; permitting the city to choose the name of the port authority; providing for removal of port authority commissioners; requiring local approval."

And when so amended the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Amendments adopted. Report adopted.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

S.F. No. 1969: A bill for an act relating to retirement; state university and community college faculty; establishing a Minnesota individual retirement plan; proposing coding for new law as Minnesota Statutes, chapters 354B, and 356A.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 354.05, is amended by adding a subdivision to read:

Subd. 2a. [EXCEPTIONS.] Notwithstanding subdivision 2, a person who is employed as a teacher in the state university system or the state community college system after June 30, 1989, is not a member of the fund unless the person is covered by section 4, subdivision 2, and has exercised an option under that paragraph to remain a member of the fund.

Sec. 2. Minnesota Statutes 1986, section 354.50, subdivision 1, is amended to read:

Subdivision 1. When ~~any~~ a member accepts a refund provided in section 354.49 or elects to transfer to the individual retirement account plan established by sections 3 to 8, all existing service credits to which the member was entitled ~~prior to before~~ the acceptance of ~~such~~ the refund ~~shall~~ or the transfer terminate ~~and shall~~. For a member who accepted a refund, service credits may not again be restored until the former member acquires not less than two years allowable service credit subsequent to taking the last refund. In that event the former member may repay ~~such~~ the refund. If more than one refund has been taken, all refunds must be repaid.

Sec. 3. [354B.01] [DEFINITIONS.]

Subdivision 1. [PLAN.] "Plan" means the individual retirement account plan established by sections 3 to 8.

Subd. 2. [COVERED EMPLOYMENT, STATE UNIVERSITIES.] "Covered employment," with respect to employment by the state university system, means employment in a position included in the definition of teacher under section 354.05, subdivision 2, other than that of an administrator covered by or eligible for coverage in the Minnesota state retirement system unclassified employees retirement plan.

Subd. 3. [COVERED EMPLOYMENT, COMMUNITY COLLEGES.] "Covered employment," with respect to employment by the community college system, means employment in a position included in the definition of teacher under section 354.05, subdivision 2.

Sec. 4. [354B.02] [COVERED PERSONS.]

Subdivision 1. [PLAN PARTICIPANTS.] The following persons shall participate in the plan:

(1) a person, other than a person covered by subdivision 2, who was first employed in covered employment after June 30, 1989; or

(2) a person who was first employed in covered employment before July 1, 1989, and who transferred retirement coverage to the plan under section 5.

Subd. 2. [PERSONS WITH CERTAIN PRIOR SERVICE.] A person with prior service as a member of the teachers retirement association other than in covered employment under section 3, subdivision 2 or 3, who is first employed in covered employment after June 30, 1989, may, at the person's option remain a member of the teacher's retirement association or participate in the plan.

Sec. 5. [354B.03] [COVERAGE TRANSFER.]

(a) A person who was first employed in covered employment before July 1, 1989, or a person covered by section 4, subdivision 2, may elect to transfer retirement coverage to the plan.

(b) If a person elects a transfer, the executive director of the teachers retirement association shall transfer from the teachers retirement fund to the plan the person's member contributions and an equal amount representing the matching employer contributions plus interest compounded annually at the rates established by the board of trustees for the purpose of determining retirement annuities under section 354.44, subdivision 2, but not to exceed eight percent a year. The transfer must be made within 90 days from the date that the executive director receives notification of the election. The employer contribution transfer may not include any amount representing an employer additional contribution, nor may it include any money representing the repayment of a refund received by the association after the date of enactment of this act.

(c) A transfer to the plan under this section is a transfer to the financial institution that will administer the account of the person electing the transfer, and must be made through the governing board of the system in which the person is employed in covered employment. No amount may be distributed to the person electing the transfer.

Sec. 6. [354B.04] [CONTRIBUTIONS.]

Subdivision 1. [MEMBER CONTRIBUTIONS.] Persons in covered employment shall make a member contribution in an amount equal to the amount prescribed by section 354.42, subdivision 2. The contribution must be made by payroll deduction each pay period.

Subd. 2. [EMPLOYER CONTRIBUTIONS.] The employer of persons in covered employment shall make an employer contribution in an amount equal to the amount prescribed by section 354.42, subdivision 3, and shall continue to make an additional employer contribution to the teachers retirement association in an amount equal to the amount prescribed by section 354.42, subdivision 5.

Subd. 3. [MANNER OF EMPLOYER CONTRIBUTIONS.] The employer of persons in covered employment shall make employer contributions from any available revenue sources. The employer contribution must be made each pay period.

Sec. 7. [354B.05] [ADMINISTRATION.]

Subdivision 1. [GOVERNING BOARDS.] The state university board shall administer the plan for persons in covered employment under section 3, subdivision 2. The community college board shall administer the plan for persons in covered employment under section 3; subdivision 3.

Subd. 2. [PURCHASE OF CONTRACTS.] The state university board and the community college board shall arrange for the purchase of annuity contracts, fixed, variable, or a combination of fixed and variable, or custodial accounts to provide retirement and death benefits to members of the plan. The contracts or accounts must be purchased with money transferred to the plan under section 5, contributions under section 6, or money or assets otherwise provided by law or by authority of the state university board or community college board and acceptable by the financial institutions from which the contracts or accounts are purchased.

Subd. 3. [SELECTION OF FINANCIAL INSTITUTIONS.] The state

university board and the community college board shall select no more than three financial institutions to provide annuity contracts or custodial accounts. Investment programs offered by the institutions must meet the requirements of section 401(a) or 403(b) of the Internal Revenue Code of 1986, as amended. In making their selections, the boards shall consider these criteria:

- (1) the experience and ability of the financial institution to provide retirement and death benefits suited to the needs of the covered employees;
- (2) the relationship of the benefits to their cost; and
- (3) the financial strength and stability of the institution.

Subd. 4. [BENEFITS OWNED BY MEMBERS.] *The retirement and death benefits provided by the annuity contracts or custodial accounts are owned by the members of the plan and must be paid in accordance with the provisions of the annuity contracts or custodial accounts.*

Sec. 8. [TRANSFER LIMITATION.]

The coverage transfer election authorized by section 5 may first be exercised on July 1, 1989, and must be exercised before June 30, 1991.

Sec. 9. Minnesota Statutes 1986, section 356.24, is amended to read:

356.24 [SUPPLEMENTAL PENSION OR DEFERRED COMPENSATION PLANS, RESTRICTIONS UPON GOVERNMENT UNITS.]

It is unlawful for a school district or other governmental subdivision or state agency to levy taxes for, or contribute public funds to a supplemental pension or deferred compensation plan ~~which that~~ is established, maintained, and operated in addition to a primary pension program for the benefit of the governmental subdivision employees other than to a supplemental pension plan ~~which that~~ was established, maintained and operated ~~prior to before~~ May 6, 1971, to ~~any~~ a plan ~~which that~~ provides solely for group health, hospital, disability, or death benefits, ~~to the individual retirement account plan established by sections 3 to 8, or to any a plan which that~~ provides solely for severance pay as authorized ~~pursuant to~~ by section 465.72 to a retiring or terminating employee. No change in benefits or employer contributions in any plan to which this section applies after May 6, 1971 ~~shall be~~, is effective without prior legislative authorization.

Sec. 10. [EFFECTIVE DATE.]

Sections 1 to 9 are effective July 1, 1988."

Delete the title and insert:

"A bill for an act relating to retirement; state university and community college faculty; establishing an individual retirement account plan; amending Minnesota Statutes 1986, sections 354.05, by adding a subdivision; 354.50, subdivision 1; and 356.24; proposing coding for new law as Minnesota Statutes, chapter 354B."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

S.F. No. 2465: A bill for an act relating to state agencies; amending the authority of the Minnesota amateur sports commission; correcting references; exempting rulemaking from chapter 14; authorizing the commission to establish nonprofit corporations and charitable foundations; amending Minnesota Statutes 1987 Supplement, sections 16A.661, subdivision 3; 240A.02, subdivision 2; 240A.03, subdivisions 10, 12, and by adding a subdivision; and 297A.44, subdivision 1; and Laws 1987, chapter 400, section 13.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 2 and 3, delete section 4

Page 4, after line 25, insert:

"Sec. 7. [ADVISORY TASK FORCE TO PREPARE RULES.]

The chair of the Minnesota amateur sports commission shall appoint an advisory task force composed of those commission members and members of the martial arts community as the chair determines. The task force shall prepare and recommend to the commission rules necessary for the safety of nonfull contact martial arts instruction. The expiration and removal of task force members are governed by Minnesota Statutes, section 15.059, subdivision 6. The task force members shall not receive per diem or reimbursement for expenses. Rules recommended by the task force must, if adopted by the commission, be adopted under the rulemaking provisions of Minnesota Statutes, chapter 14."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, delete everything after the first semicolon

Page 1, line 6, after the semicolon, insert "providing for an advisory task force on martial arts instruction;"

Page 1, line 9, delete "subdivisions" and insert "subdivision" and delete "12,"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

S.F. No. 2074: A bill for an act relating to retirement; Minneapolis employees retirement fund; adding state representatives to the retirement board of the fund; transferring administration of the fund from the retirement board to the public employees retirement association effective June 30, 1990; amending Minnesota Statutes 1986, sections 422A.02; and 422A.03, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 422A; repealing Minnesota Statutes 1986, sections 422A.01, subdivision 13; 422A.02; 422A.03; 422A.04, subdivisions 1 and 4; 422A.05; and 422A.06, subdivisions 1, 3, 4, and 6; Minnesota Statutes 1987 Supplement, sections 422A.04, subdivisions 2 and 3; and 422A.06, subdivisions 2, 5, 7, and 8.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, delete section 2

Page 3, delete section 4

Page 3, line 9, delete "3" and insert "2"

Page 3, line 10, delete everything after the first period

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, delete everything after the semicolon

Page 1, delete lines 5 and 6

Page 1, line 7, delete everything before "amending"

Page 1, line 8, delete the second semicolon and insert a period

Page 1, delete lines 9 to 15

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

S.F. No. 2017: A bill for an act relating to Gillette children's hospital; authorizing the hospital board to affiliate with Minneapolis children's medical center and its parent corporation; authorizing the delegation of powers and functions to the parent corporation; amending Minnesota Statutes 1986, section 250.05, subdivisions 1, 3, 3a, 4, 5, and 6.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [DEFINITIONS.]

Subdivision 1. [SCOPE.] For purposes of sections 1 to 3, the following terms have the meanings given them in this section.

Subd. 2. [BOARD.] "Board" means the Gillette children's hospital board established by Minnesota Statutes, section 250.05, subdivision 1.

Subd. 3. [NONPROFIT CORPORATION.] "Nonprofit corporation" means the entity formed in accordance with section 2, subdivision 1.

Sec. 2. [INCORPORATION AS NONPROFIT CORPORATION.]

Subdivision 1. [INCORPORATION.] The board may incorporate as a nonprofit corporation under Minnesota Statutes, chapter 317. Upon incorporating in accordance with this subdivision, the resulting nonprofit corporation ceases to be a public corporation in the executive branch of state government.

Subd. 2. [EMPLOYEES.] (a) Employees of the nonprofit corporation are not state employees. A person who is an employee of the board and a member of the Minnesota state employees retirement association at the time of an incorporation under subdivision 1 may, however, at the person's

option:

(1) continue the person's membership in the association; or

(2) terminate the person's membership in the association and become a member of a retirement system established and maintained by the nonprofit corporation.

(b) For a person who elects continuing membership in the Minnesota state retirement system, the nonprofit corporation shall pay the employer contributions required by Minnesota Statutes, section 352.04, subdivision 3, and shall deduct from the person's salary and transmit to the association the employee contribution required by section 352.04, subdivision 2.

(c) A person who elects to transfer to the nonprofit corporation's retirement plan may, at the person's option, receive from the association a refund of the employer and employee contributions made on the person's behalf, plus interest at the rate of six percent compounded annually, or elect a deferred annuity under Minnesota Statutes, section 352.22, subdivision 3.

(d) An election under this subdivision must be made within two years of the date of the incorporation. An election is irrevocable.

Subd. 3. [PROPERTY.] Personal property of the board other than fixtures becomes property of the nonprofit corporation upon incorporation in accordance with subdivision 1. The board's interest in the buildings constituting St. Paul-Ramsey hospital under the agreement among the board, the city of St. Paul, and Ramsey county made on February 19, 1975, is transferred upon incorporation to the city and the county in proportion to their current interests.

Subd. 4. [LEASEHOLD INTEREST.] Notwithstanding subdivision 3, the city of St. Paul and Ramsey county shall grant the nonprofit corporation a leasehold interest in the areas of buildings owned by the board under article 2 of the February 19, 1975, agreement. Except as otherwise provided in this act or agreed to by the nonprofit corporation, the city, and the county, the terms of the lease must be no less favorable to the nonprofit corporation than the terms of the board's occupancy. The lease must be for a term of 30 years, but is terminable by the nonprofit corporation if the nonprofit corporation vacates those areas entirely or partially, by the nonprofit corporation or the city and county if the nonprofit corporation ceases to provide hospital or medical services in the leased areas, or upon mutual agreement of the parties. Unless agreed to by the city and the county, the leasehold interest under this subdivision may be transferred by the nonprofit corporation only to a successor nonprofit corporation into which the nonprofit corporation may merge, of which it may become a subsidiary, or that may be formed by the nonprofit corporation and another nonprofit corporation.

Sec. 3. [AFFILIATION.]

Along with the other powers of a nonprofit corporation, the nonprofit corporation may agree to affiliate with Minneapolis children's medical center or its parent corporation, Minneapolis ChildCare, to improve the coordination and efficiency of the two institutions in providing comprehensive health care to children. The nonprofit corporation may become subsidiary of, and delegate management powers and functions to, Minneapolis ChildCare.

Sec. 4. [REPEALER.]

Minnesota Statutes 1986, section 250.05, subdivisions 1, 2a, 3, 4, 5, and 6, are repealed. Minnesota Statutes 1987 Supplement, section 250.05, subdivisions 2 and 7, are repealed.

Sec. 5. [EFFECTIVE DATE.]

Sections 1 to 3 are effective the day following final enactment. Section 4 is effective upon the filing of the articles of incorporation with the secretary of state effecting an incorporation under section 2, subdivision 1."

Delete the title and insert:

"A bill for an act relating to Gillette children's hospital; authorizing the hospital board to incorporate as a nonprofit corporation; terminating its status as a public corporation; transferring its ownership of hospital property to the city of St. Paul; repealing Minnesota Statutes 1986, section 250.05, subdivisions 1, 2a, 3, 4, 5, and 6; and Minnesota Statutes 1987 Supplement, section 250.05, subdivisions 2 and 7."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was re-referred

S.F. No. 2152: A bill for an act relating to higher education; establishing the university center at Rochester; providing for its governance; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 135A.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 9, delete "[ESTABLISHMENT.]" and insert "[PURPOSE.]" and delete "A" and insert "*The purpose of the*"

Page 1, line 10, delete "*established*"

Page 1, line 11, delete "*shall be*" and insert "*is*"

Page 1, line 22, after the period, insert "*Terms, compensation, and removal of members and the filling of membership vacancies are governed by section 15.0575.*"

Page 2, line 1, after the period, insert "*The administrator and staff are in the unclassified service of the state. In addition, the board shall seek ways to coordinate and expand higher education programs offered in the greater Rochester area. The board may acquire property, by purchase, lease, or other means, for its own use and for the use of institutions offering higher education programs in its area and may establish and collect fees for the use of its property.*"

Page 2, line 2, delete "COMMITTEE" and insert "TASK FORCE"

Page 2, line 3, delete "*committee*" and insert "*task force under section 15.014*"

Page 2, line 9, delete "[APPROPRIATIONS.]" and insert "[APPROPRIATION.]"

Page 2, line 10, delete "*Subdivision 1. [COORDINATION.]*"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

S.F. No. 1888: A bill for an act relating to state and local governments; extending the requirement that vendors be paid promptly for goods and services to cover providers of medical and social services; setting a deadline for the resolution of disputed obligations by municipalities; amending Minnesota Statutes 1986, sections 16A.124, subdivisions 1 and 5; and 471.425, subdivisions 1 and 4.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, delete lines 19 to 25 and insert:

“(c) “Vendor” means a provider of goods or services to the state and includes a provider of day care and other services to children, day or residential services to persons who are mentally ill or mentally retarded or who have related conditions, services to persons who are chemically dependent, and nursing home care. “Vendor” includes providers of services that are licensed or authorized under Minnesota Rules, parts 9502.0300 to 9502.0445, 9510.1020 to 9510.1140, 9525.0500 to 9525.0660, 9525.0750 to 9525.0830, 9525.1800 to 9525.1930, 9540.1000 to 9540.1500, 9545.0010 to 9545.0260, 9545.0510 to 9545.0670, 9545.0900 to 9545.1090, 9545.1400 to 9545.1500, 9553.0010 to 9553.0080, 9549.0010 to 9549.0080, 9555.6100 to 9555.6400, and 9570.2000 to 9570.3600.”

Pages 1 to 3, delete section 2

Page 3, delete lines 24 to 30 and insert:

“(e) “Vendor” means a provider of goods or services to the state and includes a provider of day care and other services to children, day or residential services to persons who are mentally ill or mentally retarded or who have related conditions, services to persons who are chemically dependent, and nursing home care. “Vendor” includes providers of services that are licensed or authorized under Minnesota Rules, parts 9502.0300 to 9502.0445, 9510.1020 to 9510.1140, 9525.0500 to 9525.0660, 9525.0750 to 9525.0830, 9525.1800 to 9525.1930, 9540.1000 to 9540.1500, 9545.0010 to 9545.0260, 9545.0510 to 9545.0670, 9545.0900 to 9545.1090, 9545.1400 to 9545.1500, 9553.0010 to 9553.0080, 9549.0010 to 9549.0080, 9555.6100 to 9555.6400, and 9570.2000 to 9570.3600.”

Page 4, line 19, delete everything after “period”

Page 4, lines 20 to 23, delete the new language

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 8, delete “subdivisions” and insert “subdivision” and delete “and 5”

And when so amended the bill do pass. Mr. Samuelson questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was re-referred

S.F. No. 980: A bill for an act relating to retirement; public pension plans; establishing, codifying, clarifying, and revising the obligations, responsibilities, and liabilities of public pension plan fiduciaries; amending Minnesota Statutes 1986, sections 11A.01; 11A.04; 11A.07, subdivision 4; 11A.08, subdivisions 5 and 6; 11A.09; 11A.13, subdivision 1; 69.30; 69.77, subdivision 2g; 69.775; 136.80, subdivision 1; 136.84; 352.03, subdivisions 1, 4, 6, 7, and 11; 352.05; 352.116, by adding a subdivision; 352.92, by adding a subdivision; 352.96, subdivision 3; 352B.03; 352B.05; 352B.07; 352C.091, subdivision 1; 352D.09, subdivision 1; 353.03, subdivisions 1 and 3a; 353.05; 353.06; 353.08; 353.68, subdivision 1; 354.06, subdivisions 1, 2a, and 3; 354.07, subdivisions 3 and 4; 354.44, subdivision 6; 354A.021, subdivision 6; 354A.08; 354A.31, subdivisions 5 and 6; 422A.05, subdivisions 2a, 2c, and 2d; 423.374; 423.45; 423.805; 423A.21, subdivision 4; 424.06; 424A.001, subdivision 7; 424A.04, subdivision 2; 490.122; and 490.123, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 3A and 490; proposing coding for new law as Minnesota Statutes, chapter 356A; repealing Minnesota Statutes 1986, sections 69.051, subdivision 2; 69.30, subdivision 3; 356.71; 423.374, subdivision 3; 423.45, subdivision 3; 423.812; and 424.06, subdivision 3.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“ARTICLE 1

MINNESOTA PUBLIC PENSION PLAN

FIDUCIARY RESPONSIBILITY AND LIABILITY ACT

Section 1. [356A.01] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For purposes of this chapter, the following terms have the meanings given them in this section.

Subd. 2. [BENEFIT.] “Benefit” means an amount, other than an administrative expense, paid or payable from a pension plan, including a retirement annuity, service pension, disability benefit, survivor benefit, death benefit, funeral benefit, or refund.

Subd. 3. [BENEFIT PLAN.] “Benefit plan” means the portion of a pension plan that deals specifically with the benefit coverage provided by the plan, including the kinds of coverage, the eligibility for and entitlement to benefits, and the amount of benefits.

Subd. 4. [BENEFIT RECIPIENT.] “Benefit recipient” means a person who has received a benefit from a pension plan or to whom a benefit is payable under the terms of the plan document of the pension plan.

Subd. 5. [BUSINESS ENTITY.] “Business entity” means a corporation, business trust, trust, partnership, firm, group of two or more persons having a joint or common interest, or any other legal or commercial enterprise.

Subd. 6. [CHIEF ADMINISTRATIVE OFFICER.] “Chief administrative officer” means the person who has primary responsibility for the execution of the administrative or management affairs of a pension plan.

Subd. 7. [COFIDUCIARY.] "Cofiduciary" means a fiduciary of a pension plan, other than a fiduciary directly undertaking a fiduciary activity or directly and primarily responsible for a fiduciary activity, who serves in a position or exercises a function covered by section 2.

Subd. 8. [COVERED GOVERNMENTAL ENTITY.] "Covered governmental entity" means a governmental subdivision or other governmental entity that employs persons who are plan participants in a covered pension plan and who are eligible for that participation because of their employment.

Subd. 9. [COVERED PENSION PLAN.] "Covered pension plan" means a pension plan or fund listed in section 356.20, subdivision 2, or 356.30, subdivision 3, or any other retirement or pension plan or fund, including a supplemental retirement plan or fund, established, maintained, or supported by the state, a governmental subdivision, or another public body whose revenues are derived from taxes, fees, or other public sources.

Subd. 10. [DIRECT OR INDIRECT PROFIT.] "Direct or indirect profit" means a payment of money, the provision of a service or an item of other than nominal value, an extension of credit, a loan, or any other special consideration to a fiduciary or a direct relative of a fiduciary on behalf of the fiduciary in consideration for the performance of a fiduciary activity or a failure to perform a fiduciary activity.

Subd. 11. [DIRECT RELATIVE.] "Direct relative" means any of the persons or spouses of persons related to one another within the third degree of kindred under civil law.

Subd. 12. [EXERCISE OR PERFORMANCE.] "Exercise or performance" means the completion of an act or of a substantial step consistent with the eventual completion of an act, even if short of actual completion.

Subd. 13. [FIDUCIARY.] "Fiduciary" means a person described in section 2.

Subd. 14. [FIDUCIARY ACTIVITY.] "Fiduciary activity" means an activity described in section 2, subdivision 2.

Subd. 15. [FIDUCIARY POSITION.] "Fiduciary position" means a position listed in section 2, subdivision 3.

Subd. 16. [FINANCIAL INSTITUTION.] "Financial institution" means a bank, savings institution, or credit union organized under federal or state law.

Subd. 17. [GOVERNING BOARD OF A PENSION PLAN.] "Governing board of a pension plan" means the body of a pension plan that is assigned or that undertakes the chief policy-making powers and management duties of the plan.

Subd. 18. [LIABILITY.] "Liability" means a secured or unsecured debt or an obligation for a future payment of money, including an actuarial accrued liability or an unfunded actuarial accrued liability, except where the context clearly indicates another meaning.

Subd. 19. [LOCAL PENSION PLAN.] "Local pension plan" means a pension plan not included in the definition of a statewide plan in subdivision 26.

Subd. 20. [MODIFICATION IN BENEFIT PLAN.] "Modification in benefit plan" means a change in a benefit plan of a pension plan that

results in an increase or decrease in benefit coverage provided to current or future plan participants or benefit recipients.

Subd. 21. [OFFICE OF THE PENSION PLAN.] "Office of the pension plan" means an administrative facility or portion of a facility where the primary business or administrative affairs of a pension plan are conducted and the primary and permanent records and files of the plan are retained.

Subd. 22. [PENSION FUND.] "Pension fund" means the assets amassed and held by a pension plan, other than the general fund, as reserves for present and future payment of benefits and administrative expenses.

Subd. 23. [PENSION PLAN.] "Pension plan" means all aspects of an arrangement between a public employer and its employees concerning the pension benefit coverage provided to the employees.

Subd. 24. [PLAN DOCUMENT.] "Plan document" means a written document or series of documents containing the eligibility requirements and entitlement provisions constituting the benefit coverage of a pension plan, including any articles of incorporation, bylaws, governing body rules and policies, municipal charter provisions, municipal ordinance provisions, or general or special state law.

Subd. 25. [PLAN PARTICIPANT.] "Plan participant" means a person who is an active member of a pension plan by virtue of the person's employment or who is making a pension plan member contribution.

Subd. 26. [STATEWIDE PLAN.] "Statewide plan" means any of the following pension plans:

(1) the Minnesota state retirement system or a pension plan administered by it;

(2) the public employees retirement association or a pension plan administered by it; and

(3) the teachers retirement association or a pension plan administered by it.

Sec. 2. [356A.02] [FIDUCIARY STATUS, ACTIVITIES, AND POSITIONS.]

Subdivision 1. [GENERAL RULE.] A person is a fiduciary if the person is in a fiduciary position and exercises discretion over a fiduciary activity in connection with a covered pension plan.

Subd. 2. [FIDUCIARY ACTIVITY.] Fiduciary activity includes, but is not limited to:

(1) the investment of plan assets;

(2) the determination of benefits;

(3) the determination of eligibility for membership or benefits;

(4) the determination of the amount or duration of benefits;

(5) the determination of funding requirements or the amounts of contributions;

(6) the determination of actuarial assumptions;

(7) the maintenance of membership or financial records; and

(8) the direct or indirect expenditure of plan assets.

Subd. 3. [FIDUCIARY POSITION.] A person serves in a fiduciary position if the person is:

(1) a member of the governing board of a covered pension plan or of the state board of investment;

(2) an investment broker, investment advisor, investment manager, investment manager selection consultant, or investment performance evaluation consultant who provides services directly to a covered pension plan and is not an employee of the plan or of the state board of investment or a member of the investment advisory council of the state board of investment;

(3) an investment security custodian, depository, or nominee who provides services directly to a covered pension plan;

(4) an actuary, accountant, auditor, medical advisor, or legal counsel who provides services directly or indirectly to a covered pension plan and is not an employee of the plan or of the state board of investment; or

(5) the chief administrative officer of a covered pension plan or of the state board of investment.

Sec. 3. [356A.03] [PROHIBITION OF CERTAIN PERSONS FROM FIDUCIARY STATUS.]

Subdivision 1. [INDIVIDUAL PROHIBITION.] For the prohibition period established by subdivision 3, a person, other than a constitutional officer of the state, who has been convicted of a violation listed in subdivision 4 may not assume a fiduciary position, engage in a fiduciary activity, or accept a position that is connected with a covered pension plan, including that of employee, consultant, manager, or advisor.

Subd. 2. [BUSINESS PROHIBITION.] For the prohibition period established by subdivision 3, a business entity that is not a publicly held corporation and for which more than five percent of the equity or ownership interest is held by a person who, in an individual capacity, would be prohibited under subdivision 1 may not provide consulting, management, or advisory services to a covered pension plan.

Subd. 3. [PROHIBITION PERIOD.] A prohibition under subdivision 1 or 2 is for a period of five years, beginning on the day following conviction for a violation listed in subdivision 4 or, if the person convicted is incarcerated, the day following unconditional release from incarceration.

Subd. 4. [APPLICABLE VIOLATIONS.] A prohibition under subdivision 1 or 2 is imposed as a result of any of the following violations of law:

(1) a violation of federal law specified in United States Code, title 29, section 1111, as amended;

(2) a violation of Minnesota law that is a felony under Minnesota law;
or

(3) a violation of the law of another state, United States territory or possession, or federally recognized Indian tribal government, or of the Uniform Code of Military Justice, that would be a felony under the offense definitions and sentences in Minnesota law.

Subd. 5. [DOCUMENTATION.] In determining the applicability of this section, the state board of investment or a public pension plan may rely on a disclosure form meeting the requirements of the federal Investment Adviser Act of 1940, as amended through the effective date of this section,

and filed with the state board of investment or the pension plan.

Sec. 4. [356A.04] [GENERAL STANDARD OF FIDUCIARY CONDUCT.]

Subdivision 1. [DUTY.] A fiduciary of a covered pension plan, in performing a fiduciary duty or serving in a fiduciary position, owes a fiduciary duty to:

- (1) the state of Minnesota, which established the plan;*
- (2) the taxpayers of the state or political subdivision, who help to finance the plan; and*
- (3) the active, deferred, and retired members of the plan, who are its beneficiaries.*

Subd. 2. [PRUDENT PERSON STANDARD.] (a) A fiduciary shall act in good faith, shall exercise that degree of judgment and care, under the circumstances then prevailing, that persons of prudence, discretion, and intelligence would exercise in the management of their own affairs, and shall undertake steps reasonably calculated to gain and to retain the capacity to make informed fiduciary judgments and to undertake an informed exercise of fiduciary discretion.

(b) If a fiduciary activity involves the investment of plan assets, a fiduciary shall act for the purpose of investment, not for speculation, considering the probable safety of the plan capital as well as the probable investment return to be derived from the assets.

Sec. 5. [356A.05] [DUTIES APPLICABLE TO ALL ACTIVITIES.]

(a) A fiduciary activity of a covered pension plan must be carried out solely for the following purposes:

- (1) to provide authorized benefits to plan participants and beneficiaries;*
- (2) to incur and pay reasonable and necessary administrative expenses;*
or
- (3) to manage a covered pension plan in accordance with the purposes and intent of the plan document.*

(b) A fiduciary activity must be carried out faithfully, without prejudice, and in a manner consistent with law and the plan document.

Sec. 6. [356A.06] [INVESTMENTS; ADDITIONAL DUTIES.]

Subdivision 1. [TITLE TO ASSETS.] Assets of a covered pension plan may be held only by the plan treasurer, the state board of investment, or the depository agent of the plan or of the state board of investment. Legal title to plan assets must be vested in the plan, the state board of investment, the governmental entity that sponsors the plan, or the nominee of the plan or the depository agent. The holder of legal title shall function as a trustee for a person or entity with a beneficial interest in the assets of the plan.

Subd. 2. [DIVERSIFICATION.] The investment of plan assets must be diversified to minimize the risk of substantial investment losses unless the circumstances at the time an investment is made clearly indicate that diversification would not be prudent.

Subd. 3. [ABSENCE OF PERSONAL PROFIT.] No fiduciary may personally profit, directly or indirectly, as a result of the investment or management of plan assets. This subdivision, however, does not preclude the

receipt by a fiduciary of reasonable compensation, including membership in or the receipt of benefits from a pension plan, for the fiduciary's position with respect to the plan.

Subd. 4. [ECONOMIC INTEREST STATEMENT.] A member of the governing board of a covered pension plan and the chief administrative officer of the plan shall file with the plan a statement of economic interest. The statement must contain the information required by section 10A.09, subdivision 5, and any other information that the fiduciary or the governing board of the plan determines is necessary to disclose a reasonably foreseeable potential or actual conflict of interest. The statement must be filed annually with the chief administrative officer of the plan and be available for public inspection during regular office hours at the office of the pension plan. A disclosure form meeting the requirements of the federal Investment Adviser Act of 1940, as amended, and filed with the state board of investment or the pension plan meets the requirements of this subdivision.

Subd. 5. [INVESTMENT BUSINESS RECIPIENT DISCLOSURE.] The chief administrative officer of a covered pension plan, with respect to investments made by the plan, and the executive director of the state board of investment, with respect to investments of plan assets made by the board, shall annually disclose in writing the recipients of investment business placed with or investment commissions allocated among commercial banks, investment bankers, brokerage organizations, or other investment managers. The disclosure document must be prepared within 60 days after the close of the fiscal year of the plan and must be available for public inspection during regular office hours at the office of the plan. The disclosure document must also be filed with the executive director of the legislative commission on pensions and retirement within 90 days after the close of the fiscal year of the plan. For the state board of investment, a disclosure document included as part of a regular annual report of the board is considered to have been filed on a timely basis.

Subd. 6. [LIMITED LIST OF AUTHORIZED INVESTMENT SECURITIES.] (a) A covered pension plan may invest its assets only in investment securities authorized by this subdivision if the plan does not:

(1) have assets with a book value in excess of \$1,000,000;

(2) use the services of an investment advisor registered with the Securities and Exchange Commission in accordance with the federal Investment Advisors Act of 1940, United States Code, title 15, sections 80b-1 to 80b-21, as amended, or licensed as an investment advisor in accordance with sections 80A.04, subdivision 3, and 80A.14, subdivision 9, for the investment of at least 60 percent of its assets, calculated on book value;

(3) use the services of the state board of investment for the investment of at least 60 percent of its assets, calculated on book value; or

(4) use a combination of the services of an investment advisor meeting the requirements of clause (2) and the services of the state board of investment for the investment of at least 75 percent of its assets, calculated on book value.

(b) Investment securities authorized for a pension plan covered by this subdivision are:

(1) certificates of deposit issued, to the extent of available insurance or collateralization, by a financial institution that is a member of the Federal

Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation, is insured by the National Credit Union Administration, or is authorized to do business in this state and has deposited with the chief administrative officer of the plan a sufficient amount of marketable securities as collateral in accordance with section 118.01;

(2) savings accounts, to the extent of available insurance, with a financial institution that is a member of the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation;

(3) governmental obligations, including bonds, notes, bills, or other fixed obligations, issued by the United States, an agency or instrumentality of the United States, an organization established and regulated by act of Congress or by a state, state agency or instrumentality, municipality, or other governmental or political subdivision that:

(i) for the obligation in question, issues an obligation that equals or exceeds the stated investment yield of debt securities not exempt from federal income taxation and of comparable quality; and

(ii) for an obligation that is a revenue bond, has been completely self-supporting for the last five years; or

(iii) for an obligation other than a revenue bond, has issued an obligation backed by the full faith and credit of the applicable taxing jurisdiction and has not been in default on the payment of principal or interest on the obligation in question or any other nonrevenue bond obligation during the preceding ten years;

(4) corporate obligations, including bonds, notes, debentures, or other regularly issued and readily marketable evidences of indebtedness issued by a corporation organized under the laws of any state that during the preceding five years has had on average annual net pretax earnings at least 50 percent greater than the annual interest charges and principal payments on the total issued debt of the corporation during that period and that, for the obligation in question, has issued an obligation rated in one of the top three quality categories by Moody's Investors Service, Incorporated, or Standard and Poor's Corporation; and

(5) shares in an open-end investment company registered under the federal Investment Company Act of 1940, if the portfolio investments of the company are limited to investments that meet the requirements of clauses (1) to (4).

Subd. 7. [EXPANDED LIST OF AUTHORIZED INVESTMENT SECURITIES.] A covered pension plan not described by subdivision 6, paragraph (a), may invest its assets only in investment securities authorized by section 11A.24.

Subd. 8. [MINIMUM LIQUIDITY REQUIREMENTS.] A covered pension plan described by subdivision 6, paragraph (a), shall invest a portion of its assets in authorized short-term debt obligations that can be immediately liquidated without accrual of a substantial determinable penalty or loss and that have an average maturity of no more than 90 days. The portion of assets to be invested in accordance with this subdivision must be an amount equal to the actual or potential benefits reasonably anticipated as payable over the succeeding two years to current benefit recipients and to active members who are within two years of their normal retirement

ages or, if they are older, of their assumed retirement age. The chief administrative officer of the plan shall determine the minimum liquidity requirement of the plan as of the first day of each quarter. Documentation of each quarterly determination must be retained in the permanent records of the plan for three years after the date of the documentation.

Subd. 9. [PROHIBITED TRANSACTIONS.] (a) No fiduciary or plan participant of a covered pension plan may engage in a prohibited transaction. No plan fiduciary may allow the plan to engage in a transaction that the fiduciary knows or should know is a prohibited transaction.

(b) A prohibited transaction is any of the following transactions, whether direct or indirect:

(1) the sale, exchange, or lease of real estate between the pension plan and a fiduciary of the plan;

(2) the lending of money or other extension of credit between the plan and a fiduciary of the plan or a plan participant;

(3) the furnishing to a plan by a fiduciary, for compensation or remuneration, of goods, services other than those performed in the capacity of fiduciary, or facilities;

(4) the furnishing to a fiduciary by a plan of goods, services, or facilities other than office and related space, office equipment and supplies, and administrative services appropriate to the recipient's fiduciary position;

(5) the transfer of plan assets to a plan fiduciary or participant for use by or the benefit of the fiduciary or participant, other than the payment of benefits to which a fiduciary or participant is entitled or the payment to a fiduciary of a reasonable salary and of necessary and reasonable expenses incurred by the fiduciary in the performance of fiduciary duties; and

(6) the sale, exchange, loan, or lease of any item of value between a plan and a fiduciary of the plan other than for a fair market value and as a result of an arms-length transaction.

Sec. 7. [356A.07] [BENEFIT COVERAGE; ADDITIONAL DUTIES.]

Subdivision 1. [BENEFIT PROVISIONS SUMMARY.] The chief administrative officer of a covered pension plan shall prepare and provide each plan participant and benefit recipient with a summary of the benefit provisions of the plan document. The summary must be provided within 30 days of the start or resumption of a participant's membership in the plan, or within 30 days of the date on which the start or resumption of membership was reported, whichever is later. The summary must contain a notice that it is a summary of the plan document but is not itself the plan document and that, in the event of a discrepancy between the summary and the plan document, the plan document governs. A copy of the plan document covering the plan must be furnished to a plan participant or benefit recipient upon request. Amendments to the plan document must be communicated to plan participants and benefit recipients in a manner specified by the governing body of the pension plan. The chief administrative officer may utilize the services of the covered governmental entity in providing the summary. The summary must be in a form reasonably calculated to be understood by an average plan participant or benefit recipient.

Subd. 2. [DISTRIBUTION.] A covered pension plan may distribute the summaries required by this section and section 8 through covered governmental entities so long as the plan has made arrangements with the entities to assure, with reasonable certainty, that the summaries will be distributed, or easily available, to plan participants.

Subd. 3. [REVIEW PROCEDURE.] If a review procedure is not specified by law for a covered pension plan, the chief administrative officer of the plan shall propose, and the governing board of the plan shall adopt and implement, a procedure for reviewing a board determination of eligibility, benefits, or other rights under the plan that is adverse to a plan participant or benefit recipient. A statewide plan for which a review procedure is not specified by law shall adopt a review procedure by rule. The review procedure may afford the plan participant or benefit recipient an opportunity to present views at any review proceeding conducted and may, but need not be, a contested case under chapter 14. The chief administrative officer of the plan shall prepare a summary of the review procedure. A copy of the summary must be furnished to a plan participant at the participant's request and must be included in the summary required by subdivision 1. The summary must be in a form reasonably calculated to be understood by an average plan participant or benefit recipient.

Sec. 8. [356A.08] [FUNDING; ADDITIONAL DUTIES.]

Subdivision 1. [DEFINED BENEFIT PLAN FUNDING PROCEDURE SUMMARY.] The chief administrative officer of a covered pension plan shall prepare a summary of the method used in funding the plan, the procedure for calculating the rate of funding, and the timing of the funding. The summary must be provided to each plan participant and benefit recipient along with the benefit summary required by section 7, subdivision 1, and may be combined with it.

Subd. 2. [ANNUAL FINANCIAL REPORT.] A covered pension plan shall provide each plan participant and benefit recipient with a copy of the most recent annual financial report required by section 356.20 and a copy of the most recent actuarial valuation, if any, required by section 69.77, 69.773, 356.215, or 356.216, or a synopsis of those reports.

Sec. 9. [356A.09] [PLAN ADMINISTRATION; ADDITIONAL DUTIES.]

Subdivision 1. [PUBLIC MEETINGS.] A meeting of the governing board of a covered pension plan or of a committee of the plan is governed by section 471.705.

Subd. 2. [LIMIT ON COMPENSATION.] No fiduciary of a covered pension plan or a direct relative of a fiduciary may receive any direct or indirect compensation, fee, or other item of more than nominal value from a third party in consideration for a pension plan disbursement.

Sec. 10. [356A.10] [FIDUCIARY BREACH.]

Subdivision 1. [OCCURRENCE OF BREACH.] A fiduciary breach occurs if a fiduciary of a covered pension plan engaging in a fiduciary activity is directly responsible for a violation of the general standard of fiduciary conduct with respect to a specific fiduciary duty or any other fiduciary activity.

Subd. 2. [INTENTIONAL AND UNINTENTIONAL BREACH.] (a) An intentional fiduciary breach is a breach that is the result of bad intent and that is willful, deliberate, or the product of gross negligence.

(b) *An unintentional fiduciary breach is a breach that results from negligence.*

Sec. 11. [356A.11] [FIDUCIARY LIABILITY.]

Subdivision 1. [AVAILABLE REMEDIES.] Remedies potentially available for a fiduciary breach by a fiduciary of a covered pension plan are compensatory damages or equitable remedies.

Subd. 2. [COMPENSATORY DAMAGES.] A fiduciary other than a public employee who serves as legal counsel to a covered pension plan or the state board of investment is personally liable to restore the monetary amount of a loss incurred or to turn over a profit earned as a result of an intentional breach of the fiduciary's duty. Liability for compensatory damages is to the plan that has suffered the loss or was entitled to the assets used to make the profit, and may be joint and several. Damages must be based on the measurable amount of any monetary loss or profit or, if the amount is not measurable or readily determinable, the liability that would be imposed by the court in a substantially equivalent tort action. Compensatory damages are subject to the limits imposed by section 14, subdivision 6.

Subd. 3. [EQUITABLE REMEDIES.] In addition to or instead of awarding compensatory damages, the district court may determine equitable remedies as would be appropriate.

Sec. 12. [356A.12] [COFIDUCIARY RESPONSIBILITY AND LIABILITY.]

Subdivision 1. [COFIDUCIARY RESPONSIBILITY IN GENERAL.] A cofiduciary has a general responsibility to oversee the fiduciary activities of all other fiduciaries unless the activity has been allocated or delegated in accordance with subdivision 3. A cofiduciary also has a general responsibility to correct or alleviate a fiduciary breach of which the cofiduciary had or ought to have had knowledge.

Subd. 2. [COFIDUCIARY LIABILITY.] A cofiduciary is liable for a fiduciary breach committed by another fiduciary when the cofiduciary has a responsibility to oversee the fiduciary activities of the other fiduciary or to correct or alleviate a breach by that fiduciary.

Subd. 3. [LIMITATION ON COFIDUCIARY RESPONSIBILITY.] A cofiduciary may limit cofiduciary responsibility and liability through the allocation or delegation of fiduciary activities if the allocation or delegation:

- (1) follows appropriate procedures;*
- (2) is made to an appropriate person or to appropriate persons; and*
- (3) is subject to continued monitoring of performance.*

Subd. 4. [BAR TO LIABILITY IN CERTAIN INSTANCES.] A properly made delegation or allocation of a fiduciary activity is a bar to liability on the part of a fiduciary making the delegation or allocation unless the fiduciary has or ought to have knowledge of the breach and takes part in the breach, conceals it, or fails to take reasonable steps to remedy it.

Subd. 5. [EXTENT OF COFIDUCIARY LIABILITY.] (a) Unless liability is barred under subdivision 4, a cofiduciary is jointly and severally liable with a responsible fiduciary for compensatory damages, but has the right to recover from the responsible fiduciary any compensatory damages paid

by the cofiduciary.

(b) If a cofiduciary had or ought to have had knowledge of a fiduciary breach and took part in the breach, concealed the breach, or failed to take reasonable steps to remedy it, the cofiduciary may be subject to any equitable remedies imposed on the responsible fiduciary.

Sec. 13. [356A.13] [FIDUCIARY INDEMNIFICATION.]

Subdivision 1. [GENERAL PROHIBITION OF INDEMNIFICATION.] *Except as provided in subdivision 2, an arrangement or plan provision that would exculpate or indemnify a fiduciary of a covered pension plan, or otherwise relieve the fiduciary of liability for a fiduciary breach, is prohibited as contrary to public policy.*

Subd. 2. [INDEMNIFIED FIDUCIARIES.] *A fiduciary who is a member of the governing board of a pension plan, an employee of a covered pension plan or of the state board of investments, or an attorney who provides legal advice to a covered pension plan or to the state board of investments in the capacity of an employee of the state or of a governmental subdivision may at the discretion of the governing board of the plan or of the state board of investments be indemnified from liability for an unintentional fiduciary breach. A board decision to indemnify a fiduciary must apply to all eligible fiduciaries of similar rank and must be prospective.*

Subd. 3. [ALLOWABLE INDEMNIFICATION.] *An indemnified fiduciary of a covered pension plan must be held harmless from reasonable costs or expenses incurred as a result of any actual or threatened litigation or other proceedings arising from the good-faith performance of fiduciary duties.*

Sec. 14. [356A.14] [LEGAL CHALLENGES TO FIDUCIARY ACTIONS.]

Subdivision 1. [JURISDICTION.] *The district court has jurisdiction over a challenge of a fiduciary action or inaction.*

Subd. 2. [VENUE.] *(a) Venue for a legal action challenging a fiduciary action or inaction of a statewide plan is Ramsey county.*

(b) Venue for a legal action challenging a fiduciary action or inaction of a covered pension plan other than a statewide plan is the county in which the governmental entity that established and maintains the plan is located or predominantly located.

Subd. 3. [SERVICE OF PROCESS.] *(a) For a fiduciary alleged in the complaint to be wholly or primarily responsible for an alleged breach, personal service of process must be obtained.*

(b) For a fiduciary alleged in the complaint to have, or who may have, cofiduciary responsibility and liability, service of process may be obtained by certified or registered mail on the chief administrative officer of the pension plan on behalf of the fiduciary. The chief administrative officer, within ten days of service, shall provide written notice of the legal action to all affected fiduciaries who were not personally served.

Subd. 4. [STANDING.] *(a) The following persons and no others have standing to bring a legal action challenging a fiduciary action or inaction:*

(1) a fiduciary of the plan;

(2) for a statewide plan, the Ramsey county attorney;

(3) for a plan other than a statewide plan, the attorney general or the county attorney of the county in which the governmental entity that established and maintains the plan is located or predominantly located; and

(4) the commissioner of finance.

(b) The legislative auditor shall investigate an alleged fiduciary breach at the request, by majority vote, of the senate finance committee, the house of representatives appropriations committee, the governmental operations committees of both houses, or the legislative commission on pensions and retirement. The legislative auditor shall file a report of an investigation with the appropriate county attorney. Upon receiving the report, the county attorney shall take whatever legal action the attorney deems appropriate to remedy a fiduciary breach substantiated by the report.

Subd. 5. [LIMITATIONS ON LEGAL ACTIONS.] A legal action challenging a fiduciary action or inaction must be timely. Notwithstanding any limitation in chapter 541, an action is timely if it is brought within the earlier of the following periods:

(1) the period ending three years after the date of the last demonstrable act representing the alleged fiduciary breach or after the final date for performance of the act the failure to perform which constitutes the alleged breach; or

(2) the period ending one year after the date of the discovery of the alleged fiduciary breach.

Subd. 6. [LIMITATION ON FIDUCIARY DAMAGES.] (a) For a legal action challenging an alleged fiduciary breach other than one involving theft, embezzlement, or other conversion of money or property, compensatory damages may not exceed \$250,000 for an individual who is a prevailing party or \$1,000,000 for a covered pension plan that is a prevailing party or on behalf of which a legal action was brought.

(b) For a legal action challenging a fiduciary breach involving theft, embezzlement, or other conversion of money or property, compensatory damages may not exceed the greater of the amounts specified in paragraph (a) or the amount of money or value of the property stolen, embezzled, or otherwise converted.

(c) Costs and reasonable attorney fees may be awarded to a prevailing party, to be paid by a nonprevailing party, for all or part of a legal action challenging a fiduciary breach.

Subd. 7. [OTHER RIGHTS PRESERVED.] Nothing in this section abrogates or limits a person's right to bring an action under other statutory or common law.

Sec. 15. [356A.15] [CONTINUING FIDUCIARY EDUCATION.]

Subdivision 1. [OBLIGATION OF FIDUCIARIES.] A fiduciary of a covered pension plan shall make all reasonable efforts to obtain knowledge and skills sufficient to enable the fiduciary to perform fiduciary duties adequately. At a minimum, the fiduciary shall comply with the program established in accordance with subdivision 2.

Subd. 2. [CONTINUING FIDUCIARY EDUCATION PROGRAM.] The governing board of each covered pension plan shall develop, monitor, and periodically revise a program for the continuing education of members of its governing board and of its fiduciary employees who are not reasonably

considered to be expert in fiduciary activities. The program must be designed to provide those persons with knowledge and skills sufficient to enable them to perform fiduciary duties adequately. By January 1 of each year, a statewide plan must file the program and revisions of the program with the executive director of the legislative commission on pensions and retirement, and a local pension plan must file the program and revisions of the program with the state auditor.

Sec. 16. [EFFECTIVE DATE.]

Sections 1 to 15 are effective the day following final enactment.

ARTICLE 2

CONFORMING AMENDMENTS TO FIDUCIARY PROVISIONS

Section 1. [3A.011] [ADMINISTRATION OF PLAN.]

The Minnesota state retirement system shall administer the legislators retirement plan in accordance with article 1.

Sec. 2. Minnesota Statutes 1986, section 11A.01, is amended to read:

11A.01 [STATEMENT OF PURPOSE.]

The purpose of sections 11A.01 to 11A.25 this chapter is to establish standards which will, in addition to the applicable standards of article 1, to insure that state and pension assets subject to this legislation will be responsibly invested to maximize the total rate of return without incurring undue risk.

Sec. 3. Minnesota Statutes 1987 Supplement, section 11A.04, is amended to read:

11A.04 [DUTIES AND POWERS.]

The state board shall:

(1) Act as trustees for each fund for which it invests or manages money in accordance with the standard of care set forth in section 11A.09 *if state assets are involved or in accordance with article 1 if pension assets are involved.*

(2) Formulate policies and procedures deemed necessary and appropriate to carry out its functions. Procedures adopted by the board ~~shall~~ *must* allow fund beneficiaries and members of the public to become informed of proposed board actions. Procedures and policies of the board ~~shall~~ *are not be* subject to the administrative procedure act.

(3) Employ an executive director as provided in section 11A.07.

(4) Employ investment advisors and consultants as it deems necessary.

(5) Prescribe policies concerning personal investments of all employees of the board to prevent conflicts of interest.

(6) Maintain a record of its proceedings.

(7) As it deems necessary, establish advisory committees subject to ~~the provisions of~~ section 15.059 to assist the board in carrying out its duties.

(8) Not permit state funds to be used for the underwriting or direct purchase of municipal securities from the issuer or the issuer's agent.

(9) Direct the state treasurer to sell property other than money ~~which~~

that has escheated to the state when the board determines that sale of the property is in the best interest of the state. Escheated property ~~shall~~ *must* be sold to the highest bidder in the manner and upon terms and conditions prescribed by the board.

(10) Undertake any other activities necessary to implement the duties and powers set forth in this section.

(11) Establish a formula or formulas to measure management performance and return on investment. ~~All~~ Public pension funds in the state shall utilize the formula or formulas developed by the state board.

(12) Except as otherwise provided in article XI, section 8, of the constitution of the state of Minnesota, employ, at its discretion, qualified private firms to invest and manage the assets of funds over which the state board has investment management responsibility. There is annually appropriated to the state board, from the assets of the funds for which the state board utilizes a private investment manager, sums sufficient to pay the costs ~~therefor~~ *of employing private firms*. Each year, by January 15, the board shall report to the governor and legislature on the cost and the investment performance of each investment manager employed by the board.

(13) Adopt an investment policy statement that includes investment objectives, asset allocation, and the investment management structure for the retirement fund assets under its control. The statement may be revised at the discretion of the state board. The state board shall seek the advice of the council regarding its investment policy statement. Adoption of the statement is not subject to chapter 14.

Sec. 4. Minnesota Statutes 1986, section 11A.07, subdivision 4, is amended to read:

Subd. 4. [DUTIES AND POWERS.] The director, at the direction of the state board, shall:

(1) Plan, direct, coordinate and execute administrative and investment functions in conformity with the policies and directives of the state board *and the requirements of this chapter and of article 1*.

(2) Employ ~~such~~ professional and clerical staff as is necessary within the complement limits established by the legislature. Employees whose primary responsibility is to invest or manage money or employees who hold positions designated as unclassified ~~pursuant to~~ *under* section 43A.08, subdivision 1a ~~shall be~~, *are* in the unclassified service of the state. Other employees ~~shall be~~ *are* in the classified service.

(3) Report to the state board on all operations under the director's control and supervision.

(4) Maintain accurate and complete records of securities transactions and official activities.

(5) Establish a policy relating to the purchase and sale of ~~all~~ securities on the basis of competitive offerings or bids. The policy is subject to board approval.

(6) Cause ~~all~~ securities acquired to be kept in the custody of the state treasurer or ~~such~~ other depositories *consistent with article 1*, as the state board deems appropriate.

(7) Prepare and file with the director of the legislative reference library

~~on or before~~, by December 31 of each year, a report summarizing the activities of the state board, the council, and the director during the preceding fiscal year. The report ~~shall~~ *must* be prepared so as to provide the legislature and the people of the state with a clear, comprehensive summary of the portfolio composition, the transactions, the total annual rate of return, and the yield to the state treasury and to each of the funds whose assets are invested by the state board, and the recipients of business placed or commissions allocated among the various commercial banks, investment bankers, and brokerage organizations. ~~This~~ *The* report ~~shall~~ *must* contain financial statements for funds managed by the board prepared in accordance with generally accepted accounting principles.

(8) Require state officials from any department or agency to produce and provide access to any financial documents the state board deems necessary in the conduct of ~~their~~ *its* investment activities.

(9) Receive and expend legislative appropriations.

(10) Undertake any other activities necessary to implement the duties and powers set forth in this subdivision *consistent with article 1*.

Sec. 5. Minnesota Statutes 1986, section 11A.08, subdivision 6, is amended to read:

Subd. 6. [CONFLICT OF INTEREST; ECONOMIC INTEREST STATEMENT.] No member of the council may participate in deliberations or vote on any matter before the council which *violates article 1 or which will or is likely to result in direct, measurable economic gain to the member.* Additionally, no member of the council appointed by the state board may participate in deliberations or vote on any matter before the council which will or is likely to result in direct, measurable economic gain to that member's employer. Members of the council shall file with the board of ethical practices an economic interest statement in a manner ~~as~~ prescribed by section 10A.09, subdivisions 5 and 6.

Sec. 6. Minnesota Statutes 1986, section 11A.09, is amended to read:

11A.09 [STANDARD OF CARE.]

In the discharge of their respective duties, the members of the state board, director, board staff, *and members of the council and any other person charged with the responsibility of investing money pursuant to the standards set forth in sections 11A.01 to 11A.25, for the investment of funds other than pension fund assets,* shall act in good faith and shall exercise that degree of judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived therefrom *and, for the investment of pension fund assets, shall act in accordance with article 1.*

Sec. 7. Minnesota Statutes 1986, section 11A.13, subdivision 1, is amended to read:

Subdivision 1. [LEGAL TITLE TO FUND ASSETS.] Legal title to the assets of state funds to be invested by the state board ~~shall~~ *must* be in the state of Minnesota, or its nominees. Legal title to pension funds to be invested by the state board ~~shall~~ *must* be ~~in the state board, or its nominees,~~ *as trustees for any person having a beneficial interest in the applicable*

fund subject to the rights of the particular funds maintaining shares, investment participation or units in the accounts to their credit as specified in article 1, section 6.

Sec. 8. Minnesota Statutes 1986, section 69.30, is amended to read:

69.30 [OFFICERS, DUTIES, BONDS.]

Subdivision 1. [RELIEF ASSOCIATION OFFICERS.] The officers of a relief association shall be are a president, one or more vice-presidents, a secretary, and a treasurer. The offices of assistant secretary and assistant treasurer may be created by the bylaws of any such association.

Subd. 2. [RELIEF ASSOCIATION MANAGEMENT.] The affairs of such the association shall must be managed by a board of trustees elected in the manner prescribed by the articles of incorporation of the association and in accordance with article 1.

Subd. 3. [BONDING.] The secretary and the treasurer of each such relief association shall each furnish a corporate bond to the association for the faithful performance of duties in such an amount as the association from time to time may determine. Each relief association shall, and it is hereby authorized to, pay the premiums on these bonds from its general fund.

Sec. 9. Minnesota Statutes 1986, section 69.77, subdivision 2g, is amended to read:

Subd. 2g. [INVESTMENT OF RELIEF ASSOCIATION FUNDS.] The funds of the association shall must be invested in securities which that are proper authorized investments pursuant to under article 1, section 11A.24. Notwithstanding the foregoing, up to 75 percent of the market value of the assets of the fund may be invested in open-end investment companies registered under the federal Investment Company Act of 1940, if the portfolio investments of the investment companies comply with the type of securities authorized for investment by section 11A.24, subdivisions 2 to 5 6, subdivision 6 or 7. Securities held by the association before March 20, 1986, which the effective date of this section that do not meet the requirements of this paragraph subdivision may be retained after that date if they were proper investments for the association on that date.

The governing board of the association may select and appoint investment agencies to act for and in its behalf or may certify funds for investment by the state board of investment under the provisions of section 11A.17. The governing board of the association may select and appoint a qualified private firm to measure management performance and return on investment, and the firm shall use the formula or formulas developed by the state board pursuant to under section 11A.04, clause (11).

Sec. 10. Minnesota Statutes 1986, section 69.775, is amended to read:

69.775 [INVESTMENTS.]

The special fund assets of the relief associations governed by sections 69.771 to 69.776 shall must be invested in securities which that are proper authorized investments pursuant to under article 1, section 11A.24. Notwithstanding the foregoing, up to 75 percent of the market value of the assets of the fund may be invested in open-end investment companies registered under the federal Investment Company Act of 1940, if the portfolio investments of the investment companies comply with the type of securities authorized for investment by section 11A.24, subdivisions 2 to

§ 6, subdivision 6 or 7. Securities held by the associations before ~~March 20, 1986, which the effective date of this section~~ that do not meet the requirements of this section may be retained after that date if they were proper investments for the association on that date. The governing board of the association may select and appoint investment agencies to act for and in its behalf or may certify funds for investment by the state board of investment under ~~the provisions of~~ section 11A.17. *The governing board of the association may select and appoint a qualified private firm to measure management performance and return on investment, and the firm shall use the formula or formulas developed by the state board under section 11A.04, clause (11).*

Sec. 11. Minnesota Statutes 1986, section 136.80, subdivision 1, is amended to read:

Subdivision 1. A supplemental retirement plan for personnel employed by the state university board and the state board for community colleges who are in the unclassified service of the state commencing July 1 following the completion of the second year of their full time contract is ~~hereby established and shall be.~~ *The supplemental retirement plan is governed pursuant to by sections 136.81 to ~~136.85~~ 136.87 and must be administered by the teachers retirement association in accordance with article 1. Any* An unclassified employee who is employed by the state university board or the state board for community colleges in subsidized on-the-job training, work experience, or public service employment as an enrollee under the federal comprehensive employment and training act ~~shall~~ may not be included in the supplemental retirement plan provided for in sections 136.81 to ~~136.85~~ from ~~and~~ 136.87 after March 30, 1978, unless the unclassified employee has as of the later of March 30, 1978, or the date of employment sufficient service credit in the retirement fund providing primary retirement coverage to meet the minimum vesting requirements for a deferred retirement annuity, or the board agrees in writing to make the employer contribution required by section 136.81 on account of ~~that~~ the unclassified employee from revenue sources other than funds provided under the federal comprehensive employment and training act, or the unclassified employee agrees in writing to make the employer contribution required by section 136.81 in addition to the member contribution.

Sec. 12. Minnesota Statutes 1986, section 136.84, is amended to read:

136.84 [TITLE TO ASSETS, PERSONAL RIGHTS.]

The right of a person who has shares to the credit of the person's employee's share account record to redeem the shares or any portion ~~thereof of the shares~~ is a personal right only and ~~shall~~ is not be assignable. Legal title to the assets of the supplemental ~~retirement investment~~ fund ~~shall be in the state of Minnesota or the state board of investment or the nominee of either is as specified in article 1, section 6, subdivision 1,~~ subject to the rights of the teachers retirement fund. ~~Any~~ An assignment or attempted assignment of shares to the credit of an employee's share account record by ~~any person~~ is null and void. ~~Such~~ Shares are exempt from garnishment or levy under attachment or execution and from all taxation by the state of Minnesota, ~~except that none shall be but are not~~ exempt from taxation under chapter 291, unless transferred to a surviving spouse or minor or dependent child of the decedent or a trust for their benefit.

Sec. 13. Minnesota Statutes 1987 Supplement, section 352.03, subdivision 1, is amended to read:

Subdivision 1. [MEMBERSHIP OF BOARD; ELECTION; TERM.] (a) The policy-making function of the system is vested in a board of 11 members, ~~who shall be~~ known as the board of directors.

(b) ~~This~~ The board ~~shall consist~~ consists of three members appointed by the governor, one of whom must be a constitutional officer or appointed state official and two of whom must be public members knowledgeable in pension matters, four state employees elected by state employees covered by the system excluding employees in categories specifically authorized to designate or elect a member by this subdivision, one employee of the transit operating division of the metropolitan transit commission designated by the executive committee of the labor organization that is the exclusive bargaining agent representing employees of the transit division, one member of the state patrol retirement fund elected by members of that fund at a time and in a manner fixed by the board, one employee covered by the correctional employees plan elected by employees covered by that plan, and one retired employee elected by retired employees at a time and in a manner to be fixed by the board. Two state employee members, whose terms of office begin on the first Monday in March after their election, must be elected biennially. Elected members and the appointed transit operating division member hold office for a term of four years, except the retired member, whose term is two years, and until their successors are elected or appointed, and have qualified. A state employee on leave of absence is not eligible for election or reelection to membership on the board of directors. The term of any board member who is on leave for more than six months automatically ends on expiration of this period.

(c) *The board shall act in accordance with article 1.*

Sec. 14. Minnesota Statutes 1987 Supplement, section 352.03, subdivision 4, is amended to read:

Subd. 4. [DUTIES AND POWERS OF BOARD OF DIRECTORS.] The board shall:

- (1) elect a chair;
- (2) appoint an executive director;
- (3) establish rules to administer this chapter and chapters 3A, 352B, 352C, 352D, and 490 *and article 1* and transact the business of the system, subject to the limitations of law;
- (4) consider and dispose of, or take any other action the board of directors deems appropriate concerning denials of applications for annuities or disability benefits under this chapter, and complaints of employees and others pertaining to the retirement of employees and the operation of the system; and
- (5) advise the director on any matters relating to the system and carrying out functions and purposes of this chapter. The board's advice shall control.

The director and assistant director ~~must be~~ are in the unclassified service, but appointees may be selected from civil service lists if desired. The salary of the executive director ~~must be~~ is as provided by section 15A.081, subdivision 1. The salary of the assistant director must be set in accordance with section 43A.18, subdivision 3.

Sec. 15. Minnesota Statutes 1987 Supplement, section 352.03, subdivision 6, is amended to read:

Subd. 6. [DUTIES AND POWERS OF EXECUTIVE DIRECTOR.] The management of the system is vested in the director, who is the executive and administrative head of the system. The director shall be advisor to the board on matters pertaining to the system and shall also act as the secretary of the board. The director shall:

- (1) attend meetings of the board;
- (2) prepare and recommend to the board appropriate rules to carry out this chapter;
- (3) establish and maintain an adequate system of records and accounts following recognized accounting principles and controls;
- (4) designate an assistant director with the approval of the board;
- (5) appoint any employees, both permanent and temporary, that are necessary to carry out the provisions of this chapter *and chapters 3A, 352B, 352C, 352D, and 490*;
- (6) organize the work of the system as the director deems necessary to fulfill the functions of the system, and define the duties of its employees and delegate to them any powers or duties, subject to the control of the director and under conditions the director may prescribe; ~~and so long as~~ appointments to exercise delegated power ~~must be~~ *are* by written order and ~~shall be~~ *are* filed with the secretary of state;
- (7) with the advice and consent of the board, contract for the services of an approved actuary, professional management services, and any other consulting services as necessary and fix the compensation for those services; ~~The contracts are not subject to competitive bidding under chapter 16B. Any approved actuary retained by the executive director shall function as the actuarial advisor of the board and the executive director, and may perform actuarial valuations and experience studies to supplement those performed by the actuary retained by the legislative commission on pensions and retirement. Any supplemental actuarial valuations or experience studies shall be filed with the executive director of the legislative commission on pensions and retirement. Professional management services may not be contracted for more often than once in six years. Copies of professional management survey reports must be transmitted to the secretary of the senate, the chief clerk of the house of representatives, and the legislative reference library as provided by section 3-195, to the executive director of the commission, and to the legislative auditor at the time as reports are furnished to the board. Only management firms experienced in conducting management surveys of federal, state, or local public retirement systems are qualified to contract with the director.~~
- (8) with the advice and consent of the board provide in-service training for the employees of the system;
- (9) make refunds of accumulated contributions to former state employees and to the designated beneficiary, surviving spouse, legal representative, or next of kin of deceased state employees or deceased former state employees, as provided in this chapter *or chapter 3A, 352B, 352C, 352D, or 490*;
- (10) determine the amount of the annuities and disability benefits of employees covered by the system and authorize payment of the annuities and benefits beginning as of the dates on which the annuities and benefits begin to accrue, in accordance with the provisions of this chapter *or chapter 3A, 352B, 352C, 352D, or 490*;

(11) pay annuities, refunds, survivor benefits, salaries, and necessary operating expenses of the system;

(12) certify funds available for investment to the state board of investment;

(13) with the advice and approval of the board request the state board of investment to sell securities when the director determines that funds are needed for the system;

(14) prepare and submit to the board and the legislature an annual financial report covering the operation of the system, as required by section 356.20;

(15) prepare and submit biennial and quarterly budgets to the board and with the approval of the board submit the budgets to the department of finance; and

(16) with the approval of the board, perform other duties required to administer the retirement and other provisions of this chapter and to do its business.

Contracts are not subject to competitive bidding under chapter 16B. An approved actuary retained by the executive director shall function as the actuarial advisor of the board and the executive director, and may perform actuarial valuations and experience studies to supplement those performed by the actuary retained by the legislative commission on pensions and retirement. Any supplemental actuarial valuations or experience studies must be filed with the executive director of the legislative commission on pensions and retirement. Professional management services may not be contracted for more often than once in six years. Copies of professional management survey reports must be transmitted to the secretary of the senate, the chief clerk of the house of representatives, the legislative reference library as provided by section 3.195, the executive director of the commission, and the legislative auditor at the same time as reports are furnished to the board. Only management firms experienced in conducting management surveys of federal, state, or local public retirement systems are qualified to contract with the director.

Sec. 16. Minnesota Statutes 1987 Supplement, section 352.03, subdivision 7, is amended to read:

Subd. 7. [DIRECTORS' FIDUCIARY OBLIGATION.] The board and, the director, and any other fiduciary of the Minnesota state retirement system shall administer the law faithfully without prejudice and undertake their activities consistent with the expressed intent of the legislature. They shall act in their respective capacities with a fiduciary obligation to the state of Minnesota which created the fund, the taxpayers who aid in financing it, and the state employees who are its beneficiaries article 1.

Sec. 17. Minnesota Statutes 1987 Supplement, section 352.03, subdivision 11, is amended to read:

Subd. 11. [LEGAL ADVISER, ATTORNEY GENERAL.] The attorney general shall be is the legal adviser of the board and of the director. The board may sue or be sued in the name of the board of directors of the system. In actions brought by it or against it, the board shall must be represented by the attorney general. Venue of actions shall be in the Ramsey county district court is as provided in article 1, section 14, subdivision 2.

Sec. 18. Minnesota Statutes 1987 Supplement, section 352.05, is amended

to read:

352.05 [STATE TREASURER TO BE TREASURER OF SYSTEM.]

The state treasurer is ex officio treasurer of the retirement funds of the system. The general bond to the state ~~shall~~ *must* cover all liability for actions as treasurer of these funds, *including liability imposed by article 1*. Funds of the system received by the treasurer must be set aside in the state treasury to the credit of the proper fund. The treasurer shall deliver to the director copies of all payroll abstracts of the state together with the commissioner of finance's warrants covering the deductions made on these payroll abstracts for the retirement fund. The director shall have a list made of the commissioner of finance's warrants. These warrants must then be deposited with the state treasurer to be credited to the retirement fund. The treasurer shall pay out of this fund only on warrants issued by the commissioner of finance, upon abstracts signed by the director, or by the finance officer designated by the director during the disability or the absence of the director from the city of St. Paul, Minnesota. Abstracts for investments may be signed by the executive director of the state board of investment.

Sec. 19. Minnesota Statutes 1987 Supplement, section 352.92, is amended by adding a subdivision to read:

Subd. 3. [PLAN ADMINISTRATION.] The Minnesota state retirement system shall administer the correctional employees retirement plan established by sections 352.90 to 352.951 in accordance with this chapter and chapter 356 and article 1.

Sec. 20. Minnesota Statutes 1987 Supplement, section 352.96, subdivision 3, is amended to read:

Subd. 3. [EXECUTIVE DIRECTOR TO ADMINISTER SECTION.] This section shall must be administered by the executive director of the system under subdivision 4. Fiduciary activities of the deferred compensation plan must be undertaken in a manner consistent with article 1. If the state board of investment so elects, it may solicit bids for options under subdivision 2, clauses (2) and (3). All contracts must be approved before execution by the state board of investment. Contracts must provide that all options in subdivision 2 must: be presented in an unbiased manner; ~~be presented and~~ in a manner ~~conforming that conforms~~ to applicable rules adopted by the executive director, be reported on a periodic basis to all employees participating in the deferred compensation program, and not be the subject of unreasonable solicitation of state employees to participate in the program. The contract may not call for any person to jeopardize the tax-deferred status of money invested by state employees under this section. All costs or fees in relation to the options provided under subdivision 2, clause (3), must be paid by the underwriting companies ultimately selected by the state board of investment.

Sec. 21. Minnesota Statutes 1987 Supplement, section 352B.03, subdivision 1, is amended to read:

Subdivision 1. [OFFICERS.] The policy-making, management, and administrative functions governing the operation of the state patrol retirement fund are vested in the board of directors and executive director of the Minnesota state retirement system with duties, authority, and responsibility as provided in chapter 352. Fiduciary activities of the fund must be undertaken in a manner consistent with article 1.

Sec. 22. Minnesota Statutes 1987 Supplement, section 352B.07, is amended to read:

352B.07 [ACTIONS BY OR AGAINST.]

The board may sue or be sued in the name of the board of directors of the state retirement system. In all actions brought by or against it, the board ~~shall~~ *must* be represented by the attorney general. The attorney general shall also be the legal adviser for the board. Venue of all actions is ~~in the Ramsey county district court~~ *as provided in article 1, section 14, subdivision 2.*

Sec. 23. Minnesota Statutes 1986, section 352C.091, subdivision 1, is amended to read:

352C.091 [ADMINISTRATION.]

Subdivision 1. [ADMINISTRATIVE AGENCY AND STANDARDS.] ~~The provisions of This chapter shall~~ *must* be administered by the Minnesota state retirement system. ~~The elected state officers retirement plan must be administered consistent with this chapter and chapter 356 and article 1.~~

Sec. 24. Minnesota Statutes 1986, section 352D.09, subdivision 1, is amended to read:

Subdivision 1. [ADMINISTRATIVE AGENCY AND STANDARDS.] The unclassified employees retirement plan and the provisions of this chapter ~~shall~~ *must* be administered by the Minnesota state retirement system. The provisions of chapter 352 ~~shall~~ govern in all instances where not inconsistent with the provisions of this chapter. *Fiduciary activities of the unclassified employees retirement plan must be undertaken in a manner consistent with article 1.*

Sec. 25. Minnesota Statutes 1986, section 353.03, subdivision 1, is amended to read:

Subdivision 1. [MANAGEMENT; COMPOSITION; ELECTION.] The management of the public employees retirement fund is vested in a board of trustees consisting of the state auditor and eight members. The governor shall appoint five trustees to four-year terms, one of whom shall be designated to represent school boards, one to represent cities, one to represent counties, one who ~~shall be~~ *is* a retired annuitant, and one who is a public member knowledgeable in pension matters. The membership of the association shall elect three trustees for terms of four years. Trustees elected by the membership of the association shall be public employees and members of the association. For seven days beginning November 1 of each year preceding a year in which an election is held, the association shall accept at its office filings in person or by mail of candidates for the board of trustees. A candidate shall submit at the time of filing a nominating petition signed by 25 or more members of the fund. No name may be withdrawn from nomination by the nominee after November 15. At the request of a candidate for an elected position on the board of trustees, the board shall mail a statement of up to 300 words prepared by the candidate to all persons eligible to vote in the election of the candidate. The board may adopt policies to govern form and length of these statements, timing of mailings, and deadlines for submitting materials to be mailed. These policies must be approved by the secretary of state. Disputes between the board and a candidate concerning application of these policies to a particular statement ~~shall~~ *must* be resolved by the secretary of state. A candidate who:

(a) (1) receives contributions or makes expenditures in excess of \$100; or

(b) (2) has given implicit or explicit consent for any other person to receive contributions or make expenditures in excess of \$100;

for the purpose of bringing about the candidate's election, ~~must~~ shall file a report with the ethical practices board disclosing the source and amount of all contributions to the candidate's campaign. The ethical practices board shall prescribe forms governing these disclosures. Expenditures and contributions have the meaning defined in section 10A.01. These terms do not include the mailing made by the association board on behalf of the candidate. A candidate ~~must~~ shall file a report within 30 days from the day that the results of the election are announced. The ethical practices board shall maintain these reports and make them available for public inspection in the same manner as the board maintains and makes available other reports filed with it. By January 10 of each year in which elections are to be held the board shall distribute by mail to the members ballots listing the candidates. No member may vote for more than one candidate for each board position to be filled. A ballot indicating a vote for more than one person for any position ~~shall be~~ is void. No special marking may be used on the ballot to indicate incumbents. The last day for mailing ballots to the fund ~~shall be~~ is January 31. Terms expire on January 31 of the fourth year, and positions are vacant until newly elected members are qualified. The ballot envelopes ~~shall~~ must be so designed and the ballots shall be counted in such a manner as to insure that each vote is secret.

The elections shall be supervised by the secretary of state. It ~~shall be~~ is the duty of the board of trustees, ~~the executive director, and any other fiduciary of the public employees retirement association~~ to faithfully administer the law without prejudice and undertake their activities consistent with the expressed intent of the legislature. They shall act as trustees with a fiduciary obligation to the state of Minnesota which created the fund, the taxpayers of the governmental subdivisions which aid in financing it and the public employees who are its beneficiaries. They shall act in good faith and shall exercise that degree of judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs *article 1*.

Sec. 26. Minnesota Statutes 1987 Supplement, section 353.03, subdivision 3a, is amended to read:

Subd. 3a. [EXECUTIVE DIRECTOR.] (a) [APPOINTMENT.] The board shall appoint, with the advice and consent of the senate, an executive director on the basis of education, experience in the retirement field, and leadership ability. The executive director shall have had at least five years' experience in an executive level management position, which has included responsibility for pensions, deferred compensation, or employee benefits. The executive director serves at the pleasure of the board. The salary of the executive director is as provided by section 15A.081, subdivision 1.

(b) [DUTIES.] The management of the association is vested in the executive director who ~~shall be~~ is the executive and administrative head of the association. The executive director shall act as adviser to the board on all matters pertaining to the association and shall also act as the secretary of the board. The executive director shall:

- (1) attend all meetings of the board;
- (2) prepare and recommend to the board appropriate rules to carry out the provisions of this chapter;
- (3) establish and maintain an adequate system of records and accounts following recognized accounting principles and controls;
- (4) designate an assistant director, with the approval of the board, ~~who shall~~ to serve in the unclassified service and whose salary is set in accordance with section 43A.18, subdivision 3, appoint a confidential secretary in the unclassified service, and appoint employees to carry out this chapter, who are subject to chapters 43A and 179A in the same manner as are executive branch employees;
- (5) organize the work of the association as the director deems necessary to fulfill the functions of the association, and define the duties of its employees and delegate to them any powers or duties, subject to the control of, and under such conditions as, the executive director may prescribe;
- (6) with the approval of the board, contract for the services of an approved actuary, professional management services, and any other consulting services as necessary to fulfill the purposes of this chapter. ~~All contracts are subject to chapter 16B. The commissioner of administration shall not approve, and the association shall not enter into, any contract to provide lobbying services or legislative advocacy of any kind. Any approved actuary retained by the executive director shall function as the actuarial advisor of the board and the executive director and may perform actuarial valuations and experience studies to supplement those performed by the actuary retained by the legislative commission on pensions and retirement. Any supplemental actuarial valuations or experience studies shall be filed with the executive director of the legislative commission on pensions and retirement. Copies of professional management survey reports shall be transmitted to the secretary of the senate, the chief clerk of the house of representatives, and the legislative reference library as provided by section 3.195, to the executive director of the commission and to the legislative auditor at the same time as reports are furnished to the board. Only management firms experienced in conducting management surveys of federal, state, or local public retirement systems shall be qualified to contract with the director hereunder;~~
- (7) with the approval of the board provide in-service training for the employees of the association;
- (8) make refunds of accumulated contributions to former members and to the designated beneficiary, surviving spouse, legal representative or next of kin of deceased members or deceased former members, as provided in this chapter;
- (9) determine the amount of the annuities and disability benefits of members covered by the association and authorize payment of the annuities and benefits beginning as of the dates on which the annuities and benefits begin to accrue, in accordance with the provisions of this chapter;
- (10) pay annuities, refunds, survivor benefits, salaries, and necessary operating expenses of the association;
- (11) prepare and submit to the board and the legislature an annual financial report covering the operation of the association, as required by section 356.20;

(12) prepare and submit biennial and annual budgets to the board for its approval and submit the approved budgets to the department of finance for approval by the commissioner; and

(13) with the approval of the board, perform ~~such~~ other duties ~~as that~~ may be required for the administration of the association and the other provisions of this chapter and for the transaction of its business.

Contracts made by the executive director under clause 6 are subject to chapter 16B. The commissioner of administration may not approve, and the association may not enter into, a contract to provide lobbying services or legislative advocacy of any kind. An approved actuary retained by the executive director shall function as the actuarial advisor of the board and the executive director and may perform actuarial valuations and experience studies to supplement those performed by the actuary retained by the legislative commission on pensions and retirement. A supplemental actuarial valuation or experience study must be filed with the executive director of the legislative commission on pensions and retirement. Copies of professional management survey reports must be transmitted to the secretary of the senate, the chief clerk of the house of representatives, the legislative reference library as provided by section 3.195, the executive director of the commission, and the legislative auditor at the same time as reports are furnished to the board. Only a management firm experienced in conducting management surveys of federal, state, or local public retirement systems is qualified to contract with the director.

Sec. 27. Minnesota Statutes 1986, section 353.05, is amended to read:

353.05 [CUSTODIAN OF FUNDS.]

The state treasurer ~~shall be~~ is ex officio treasurer of the retirement funds of the association, and the treasurer's general bond to the state ~~shall must~~ be so conditioned as to cover all liability for acts as treasurer of these funds, *including liability imposed by article 1.* All ~~moneys~~ money of the association received by the treasurer ~~shall must~~ be set aside in the state treasury to the credit of the proper fund. The treasurer shall transmit monthly to the executive director a detailed statement of all amounts so received and credited to the fund. Payments out of the fund ~~shall may~~ be made only on warrants issued by the commissioner of finance, upon abstracts signed by the executive director; provided that abstracts for investment may be signed by the secretary of the state board of investment.

Sec. 28. Minnesota Statutes 1986, section 353.06, is amended to read:

353.06 [STATE BOARD OF INVESTMENT TO INVEST FUNDS.]

The executive director shall from time to time certify to the state board of investment for investment such portions of the retirement fund as in ~~its~~ *the executive director's* judgment may not be required for immediate use. Assets from the public employees retirement fund ~~shall must~~ be transferred to the Minnesota postretirement investment fund as provided in section 11A.18. The state board of investment shall ~~thereupon~~ invest and reinvest the sum so certified, or transferred, in ~~such~~ securities ~~as that are~~ *duly authorized as legal investments for state employees retirement fund under section 11A.24 and shall have authority to* may sell, convey, and exchange such securities and invest and reinvest the securities when it deems it desirable to do so and shall sell securities upon request of the board of trustees when such funds are needed for its purposes. ~~All of the~~ Provisions regarding accounting procedures and restrictions and conditions for the

purchase and sale of securities for the state employees retirement fund shall apply to the accounting, purchase, and sale of securities for the public employees retirement fund.

Sec. 29. Minnesota Statutes 1986, section 353.08, is amended to read:
353.08 [LEGAL ADVISER, ATTORNEY GENERAL; VENUE.]

The attorney general ~~shall be~~ *is* the legal adviser of the board of trustees. The board may sue or be sued in the name of the board of trustees of the public employees retirement association ~~and~~. In all actions brought by it or against it, the board ~~shall~~ *must* be represented by the attorney general. The venue of all actions against and by the public employees retirement association ~~shall be Ramsey county~~ *is as provided in article 1, section 14, subdivision 2.*

Sec. 30. Minnesota Statutes 1986, section 353.68, subdivision 1, is amended to read:

Subdivision 1. [GENERAL LAW APPLICABILITY.] The general provisions of this chapter apply to all police officers and firefighters who are members of the police and fire fund and also to all governmental subdivisions employing such members except where otherwise specifically provided in sections 353.63 to 353.68. *Fiduciary activities of the public employees police and fire fund must be undertaken in a manner consistent with article 1.*

Sec. 31. Minnesota Statutes 1987 Supplement, section 354.06, subdivision 1, is amended to read:

Subdivision 1. The management of the fund ~~shall be~~ *is* vested in a board of eight trustees ~~which shall be~~ known as the board of trustees of the teachers retirement fund. It ~~shall be~~ *is* composed of the following persons: the commissioner of education, the commissioner of finance, the commissioner of commerce, four members of the fund ~~who shall be~~ elected by the members of the fund, and one retiree ~~who shall be~~ elected by the retirees of the fund. The five elected members of the board of trustees ~~shall~~ *must* be chosen by mail ballot in a manner ~~which shall be~~ fixed by the board of trustees of the fund. In every odd-numbered year ~~there shall be~~ *elect* two members of the fund ~~must be elected~~ to the board of trustees for terms of four years commencing on the first of July next succeeding their election. In every odd-numbered year ~~there shall be~~ *elect* one retiree of the fund ~~must be elected~~ to the board of trustees for a term of two years commencing on the first of July next succeeding the election. The filing of candidacy for a retiree election must include a petition of endorsement signed by at least ten retirees of the fund. Each election ~~shall~~ *must* be completed by June first of each succeeding odd-numbered year. In the case of elective members, any vacancy ~~shall~~ *must* be filled by appointment by the remainder of the board, and the appointee shall serve until the members or retirees of the fund at the next regular election have elected a trustee to serve for the unexpired term caused by the vacancy. No member or retiree ~~shall~~ *may* be appointed by the board, or elected by the members of the fund as a trustee, if the person is not a member or retiree of the fund in good standing at the time of the appointment or election.

Subd. 1a. [FIDUCIARY DUTY.] It ~~shall be~~ *is* the duty of the board of trustees, the executive director, and any other fiduciary of the teachers retirement association to ~~faithfully administer the law without prejudice~~

~~and undertake their duties consistent with the expressed intent of the legislature. They shall act as trustees with a fiduciary obligation to the state of Minnesota which created the fund, the taxpayers which aid in financing it and the teachers who are its beneficiaries article 1.~~

Sec. 32. Minnesota Statutes 1987 Supplement, section 354.06, subdivision 2a, is amended to read:

Subd. 2a. [DUTIES OF EXECUTIVE DIRECTOR.] The management of the association is vested in the executive director, who shall be the executive and administrative head of the association. The executive director shall act as advisor to the board on all matters pertaining to the association and shall also act as the secretary of the board. The executive director shall:

- (1) attend all meetings of the board;
- (2) prepare and recommend to the board appropriate rules to carry out the provisions of this chapter;
- (3) establish and maintain an adequate system of records and accounts following recognized accounting principles and controls;
- (4) designate an assistant executive director in the unclassified service and two assistant executive directors in the classified service with the approval of the board, and appoint such employees, both permanent and temporary, as are necessary to carry out the provisions of said chapter;
- (5) organize the work of the association as the director deems necessary to fulfill the functions of the association, and define the duties of its employees and delegate to them any powers or duties, subject to the director's control and under such conditions as the director may prescribe;
- (6) with the approval of the board, contract for the services of an approved actuary, professional management services, and any other consulting services as may be necessary and fix the compensation therefor. ~~Such contracts shall not be subject to the competitive bidding procedure prescribed by chapter 16B. Professional management services may not be contracted for more often than once in every six years. Any approved actuary retained by the executive director shall function as the actuarial advisor of the board and the executive director and may perform actuarial valuations and experience studies to supplement those performed by the actuary retained by the legislative commission on pensions and retirement. Any supplemental actuarial valuations or experience studies shall be filed with the executive director of the legislative commission on pensions and retirement. Copies of professional management survey reports shall be transmitted to the secretary of the senate, the chief clerk of the house of representatives, and the legislative reference library as provided by section 3.195, to the executive director of the commission and to the legislative auditor at the same time as reports are furnished to the board. Only management firms experienced in conducting management surveys of federal, state, or local public retirement systems shall be qualified to contract with the director hereunder for those services;~~
- (7) with the approval of the board, provide in-service training for the employees of the association;
- (8) make refunds of accumulated contributions to former members and to the designated beneficiary, surviving spouse, legal representative, or next of kin of deceased members or deceased former members, as provided in

this chapter;

(9) determine the amount of the annuities and disability benefits of members covered by the association and authorize payment of the annuities and benefits beginning as of the dates on which the annuities and benefits begin to accrue, in accordance with the provisions of this chapter;

(10) pay annuities, refunds, survivor benefits, salaries, and necessary operating expenses of the association;

(11) prepare and submit to the board and the legislature an annual financial report covering the operation of the association, as required by section 356.20;

(12) certify funds available for investment to the state board of investment;

(13) with the advice and approval of the board, request the state board of investment to sell securities on determining that funds are needed for the purposes of the association;

(14) prepare and submit biennial and annual budgets to the board and with the approval of the board submit those budgets to the department of finance; and

(15) with the approval of the board, perform such other duties as may be required for the administration of the association and the other provisions of this chapter and for the transaction of its business.

Contracts are not subject to the competitive bidding procedure prescribed by chapter 16B. Professional management services may not be contracted for more often than once in every six years. An approved actuary retained by the executive director shall function as the actuarial advisor of the board and the executive director and may perform actuarial valuations and experience studies to supplement those performed by the actuary retained by the legislative commission on pensions and retirement. A supplemental actuarial valuation or experience study must be filed with the executive director of the legislative commission on pensions and retirement. Copies of professional management survey reports must be transmitted to the secretary of the senate, the chief clerk of the house of representatives, the legislative reference library as provided by section 3.195, the executive director of the commission, and the legislative auditor at the same time as reports are furnished to the board. Only a management firm experienced in conducting management surveys of federal, state, or local public retirement systems is qualified to contract with the director.

Sec. 33. Minnesota Statutes 1986, section 354.06, subdivision 3, is amended to read:

Subd. 3. [TREASURER.] The state treasurer ~~shall be~~ *is* ex officio treasurer of the fund ~~and~~. The treasurer's general bond to the state ~~shall~~ *must* cover any liabilities for acts as treasurer of the fund, *including liabilities imposed by article 1*. The state treasurer shall receive all ~~moneys~~ *money* payable to the fund and pay out the same only on warrants issued by the commissioner of finance upon forms signed by the executive director.

Sec. 34. Minnesota Statutes 1987 Supplement, section 354.07, subdivision 3, is amended to read:

Subd. 3. The attorney general shall be legal advisor to the board and the executive director. The board may sue or be sued in the name of the board of trustees of the teachers retirement fund and in all actions brought

by or against it the board ~~shall~~ *must* be represented by the attorney general. Venue of all actions is ~~in the Ramsey county district court as provided in article 1, section 14, subdivision 2.~~

Sec. 35. Minnesota Statutes 1986, section 354.07, subdivision 4, is amended to read:

Subd. 4. [INVESTMENT OF ASSETS.] ~~It shall be the duty of~~ The board from time to time ~~to shall~~ certify to the state board of investment for investment as much of the funds in its hands as ~~shall are not be~~ needed for current purposes. ~~Such~~ Funds that are certified to the variable annuity division ~~shall must~~ include employee deductions as well as an equal amount for state's matching. ~~Such~~ Funds that are certified as to investment in the postretirement investment fund ~~shall must~~ include the amount as required for the total reserves needed for the purposes described in section 354.63. The state board of investment shall ~~thereupon~~ transfer ~~such~~ assets to the appropriate fund ~~provided herein~~, in accordance with the ~~procedure set forth in~~ sections 354.62 and 354.63, or invest and reinvest an amount equal to the sum ~~so~~ certified in ~~such the~~ securities as ~~that are now or may hereafter be duly authorized legal investments for state employees retirement fund under section 11A.24,~~ and all ~~such~~ securities so transferred or purchased ~~shall must~~ be deposited with the state treasurer. All interest from these investments ~~shall must~~ be credited to the appropriate funds and used for current purposes or investments, except as ~~hereinafter~~ provided by ~~this section~~. The state board of investment ~~shall have authority to~~ *may* sell, convey, and exchange ~~such~~ securities and invest and reinvest the funds when it deems it desirable to do so, and shall sell securities upon request of the officers of the association when such officers determine funds are needed for ~~its the association's~~ purposes. All of the provisions regarding accounting procedures and restrictions and conditions for the purchase and sale of securities for the state employees retirement fund ~~shall~~ apply to the accounting, purchase, and sale of securities for the teachers' retirement fund.

Sec. 36. Minnesota Statutes 1986, section 354A.021, subdivision 6, is amended to read:

Subd. 6. [TRUSTEES' FIDUCIARY OBLIGATION.] ~~It is the duty of~~ The trustees or directors of each teachers retirement fund association ~~to shall~~ administer each fund in accordance with the applicable portions of this chapter, of the articles of incorporation, ~~and of the bylaws, and of article 1.~~ They ~~shall act as trustees with a fiduciary obligation to the state of Minnesota which created the fund, the taxpayers which aid in financing it, and the teachers who are its beneficiaries.~~ The purpose of this subdivision is to establish each teachers retirement fund association as a trust under the laws of the state of Minnesota for all purposes related to section 401(a) of the Internal Revenue Code of the United States, including all amendments.

Sec. 37. Minnesota Statutes 1986, section 354A.08, is amended to read:

354A.08 [AUTHORIZED INVESTMENTS.]

~~Any A~~ teachers retirement fund association may receive, hold, and dispose of real estate or personal property acquired by it, whether the acquisition was by gift, purchase or any other lawful means, as provided in this chapter or in the association's articles of incorporation. In addition to other authorized real estate investments, an association may also invest funds in Minnesota situs nonfarm real estate ownership interests or loans secured

by mortgages or deeds of trust only in investments authorized by article 1, section 6. Types and amounts at cost or book of investment securities or other investments held by the association before the effective date of this section may be retained after that date if they were proper investments for the teachers retirement fund association on that date.

Sec. 38. Minnesota Statutes 1986, section 422A.05, subdivision 2a, is amended to read:

Subd. 2a. [FIDUCIARY DUTY.] In the discharge of their respective duties, the members of the board, the executive director, the board staff, and any other person charged with the responsibility of investing money pursuant to the standards set forth in accordance with this chapter or engaging in any other fiduciary activity shall act in good faith and shall exercise that degree of judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived therefrom a manner consistent with article 1.

Sec. 39. Minnesota Statutes 1986, section 422A.05, subdivision 2c, is amended to read:

Subd. 2c. [INVESTMENTS.] The board may invest funds only in investments authorized by article 1, section 11A.24 6. In addition to other authorized real estate investments, the board may also invest funds in Minnesota situs nonfarm real estate ownership interests or loans secured by mortgages or deeds of trust.

Sec. 40. Minnesota Statutes 1986, section 422A.05, subdivision 2d, is amended to read:

Subd. 2d. [ACCOUNT TRANSFERS.] Notwithstanding any law to the contrary, the retirement board, subject to the standards of subdivision 2a of this section article 1, may transfer assets between accounts established by section 422A.06.

Sec. 41. Minnesota Statutes 1986, section 423.374, is amended to read:
423.374 [OFFICERS OF ASSOCIATION.]

Subdivision 1. [RELIEF ASSOCIATION OFFICERS.] The officers of the relief association shall be are a president, one or more vice-presidents, a secretary, and a treasurer. The offices of assistant secretary and assistant treasurer may be created by the bylaws of any such associations.

Subd. 2. [RELIEF ASSOCIATION MANAGEMENT.] The affairs of each association shall must be managed by a board of directors elected in the manner prescribed by the articles of incorporation of the association and article 1.

Subd. 3. [BONDING.] The secretary and treasurer of each relief association shall each furnish a corporate bond to the association for the faithful performance of their duties, in such amounts as the association from time to time may determine. Each relief association shall and is hereby authorized to pay the premiums on such bonds from its special fund.

Sec. 42. Minnesota Statutes 1986, section 423.45, is amended to read:
423.45 [OFFICERS; DIRECTORS; BOND.]

Subdivision 1. [RELIEF ASSOCIATION OFFICERS.] The officers of

the relief association ~~shall be~~ are a president, one or more vice-presidents, a secretary, and a treasurer. The offices of assistant secretary and assistant treasurer may be created by the bylaws of any such associations.

Subd. 2. [RELIEF ASSOCIATION MANAGEMENT.] The affairs of each association ~~shall must~~ be managed by a board of directors elected in the manner prescribed by the articles of incorporation of the association *and article 1.*

Subd. 3. [BONDING.] The secretary and treasurer of each relief association shall each furnish a corporate bond to the association for the faithful performance of their duties, in such amounts as the association from time to time may determine. Each relief association shall ~~and is hereby authorized~~ to pay the premiums on such bonds from its special fund.

Sec. 43. Minnesota Statutes 1986, section 423.805, is amended to read:
423.805 [POLICE PENSION FUND.]

The association shall establish a police pension fund or continue to maintain the police pension fund now existing in the city and shall ~~have the management manage~~ and control of the fund. *Fiduciary activities of the fund must be undertaken in a manner consistent with article 1.*

Sec. 44. Minnesota Statutes 1986, section 423A.21, subdivision 4, is amended to read:

Subd. 4. [FIDUCIARY RESPONSIBILITY.] In the discharge of their respective duties, the officers and trustees ~~shall be~~ are held to the *general* standard of care ~~enumerated in section 11A.09~~ and *specific duties of article 1.*

Each member of the board is a fiduciary *and shall undertake all fiduciary activities in a manner consistent with article 1.* ~~No fiduciary of a relief association shall cause a relief association to engage in a transaction if the fiduciary knows or should know that a transaction constitutes one of the following direct or indirect transactions:~~

- (1) sale or exchange or leasing of any real property between the relief association and a board member;
- (2) lending of money or other extension of credit between the relief association and a board member or member of the relief association;
- (3) furnishing of goods, services, or facilities between the relief association and a board member; or
- (4) transfer to a board member, or use by or for the benefit of a board member, of any assets of the relief association. ~~Transfer of assets does not mean the payment of relief association benefits or administrative expenses permitted by law.~~

Sec. 45. Minnesota Statutes 1986, section 424.06, is amended to read:
424.06 [OFFICERS; TRUSTEES.]

Subdivision 1. [RELIEF ASSOCIATION OFFICERS.] The officers of the relief association ~~shall be~~ are a president, one or more vice-presidents, a secretary, and a treasurer. The offices of assistant secretary and assistant treasurer may be created by the bylaws of any such associations.

Subd. 2. [RELIEF ASSOCIATION MANAGEMENT.] The affairs of each association ~~shall must~~ be managed by a board of trustees elected in the

manner prescribed by the articles of incorporation of the association *and article 1.*

Subd. 3. [BONDING.] The secretary and treasurer of each relief association shall each furnish a corporate bond to the association for the faithful performance of their duties, in amounts as the association from time to time may determine. Each relief association ~~shall be and is hereby authorized to may~~ pay the premiums on such bonds from its general fund.

Sec. 46. Minnesota Statutes 1986, section 424A.001, subdivision 7, is amended to read:

Subd. 7. [FIDUCIARY RESPONSIBILITY.] In the discharge of their respective duties, the officers and trustees ~~shall be and any other fiduciary of the association are~~ held to the general standard of care ~~enumerated in section 424A.09 provided in~~ article 1.

Each member of the board is a fiduciary *and shall undertake all fiduciary activities in a manner consistent with article 1.* ~~No fiduciary of a relief association shall cause a relief association to engage in a transaction if the fiduciary knows or should know that a transaction constitutes one of the following direct or indirect transactions:~~

(1) sale or exchange or leasing of any real property between the relief association and a board member;

(2) lending of money or other extension of credit between the relief association and a board member or member of the relief association;

(3) furnishing of goods, services, or facilities between the relief association and a board member; or

(4) transfer to a board member, or use by or for the benefit of a board member, of any assets of the relief association. ~~Transfer of assets does not mean the payment of relief association benefits or administrative expenses permitted by law.~~

Sec. 47. Minnesota Statutes 1986, section 424A.04, subdivision 2, is amended to read:

Subd. 2. [FIDUCIARY DUTY.] It shall be the duty of The board of trustees to faithfully administer any provisions of statute or special law applicable to the relief association without prejudice and ~~any other fiduciary of the relief association shall undertake their activities~~ consistent with the expressed intent of the legislature. The members of the board shall act as trustees with a fiduciary obligation to the state of Minnesota which authorized the creation of the relief association, to the taxpayers who aid in its financing, and to the firefighters who are its beneficiaries *article 1.*

Sec. 48. [490.021] [ADMINISTRATION OF VARIOUS JUDGES RETIREMENT PLANS.]

The Minnesota state retirement system shall administer the judges retirement plans established by sections 490.025 to 490.12 in accordance with article 1.

Sec. 49. Minnesota Statutes 1986, section 490.122, is amended to read: 490.122 [ADMINISTRATION OF JUDGES' RETIREMENT.]

The policymaking, management, and administrative functions governing

the operation of the judges' retirement fund and the administration of sections ~~490.025~~ 490.121 to 490.132 ~~shall be~~ are vested in the board of directors and executive director of the Minnesota state retirement system with such duties, authority, and responsibility as are provided in chapter 352. Except as otherwise specified, no provision of chapter 352 ~~shall apply~~ applies to the judges' retirement fund or any judge. *Fiduciary activities of the uniform retirement and survivors' annuities for judges must be undertaken in a manner consistent with article 1.*

Sec. 50. Minnesota Statutes 1986, section 490.123, subdivision 2, is amended to read:

Subd. 2. [TREASURER.] The state treasurer ~~shall be~~ is ex officio treasurer of the judges' retirement fund, and the treasurer's general bond to the state ~~shall must~~ be so conditioned as to cover all liability for acting as treasurer of this fund, *including liability imposed by article 1.* All ~~moneys~~ money received by the treasurer pursuant to this section ~~shall must~~ be set aside in the state treasury to the credit of the judges' retirement fund. The treasurer shall transmit monthly to the executive director described in section 352.03, subdivision 5, a detailed statement of all amounts so received and credited to the fund. The treasurer shall pay out the fund only on warrants issued by the commissioner of finance, upon vouchers signed by ~~said~~ the executive director; provided that vouchers for investment may be signed by the secretary of the state board of investment.

Sec. 51. [REPEALER.]

Minnesota Statutes 1986, sections 356.71 and 423.812, are repealed.

Sec. 52. [EFFECTIVE DATE.]

Sections 1 to 51 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to retirement; public pension plans; establishing, codifying, clarifying, and revising the obligations, responsibilities, and liabilities of public pension plan fiduciaries; amending Minnesota Statutes 1986, sections 11A.01; 11A.07, subdivision 4; 11A.08, subdivision 6; 11A.09; 11A.13, subdivision 1; 69.30; 69.77, subdivision 2g; 69.775; 136.80, subdivision 1; 136.84; 352C.091, subdivision 1; 352D.09, subdivision 1; 353.03, subdivision 1; 353.05; 353.06; 353.08; 353.68, subdivision 1; 354.06, subdivision 3; 354.07, subdivision 4; 354A.021, subdivision 6; 354A.08; 422A.05, subdivisions 2a, 2c, and 2d; 423.374; 423.45; 423.805; 423A.21, subdivision 4; 424.06; 424A.001, subdivision 7; 424A.04, subdivision 2; 490.122; and 490.123, subdivision 2; Minnesota Statutes 1987 Supplement, sections 11A.04; 352.03, subdivisions 1, 4, 6, 7, and 11; 352.05; 352.92, by adding a subdivision; 352.96, subdivision 3; 352B.03, subdivision 1; 352B.07; 353.03, subdivision 3a; 354.06, subdivisions 1 and 2a; and 354.07, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 3A and 490; proposing coding for new law as Minnesota Statutes, chapter 356A; repealing Minnesota Statutes 1986, sections 356.71; and 423.812."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 2417: A bill for an act relating to well abandonment; authorizing cost sharing funds; amending Minnesota Statutes 1986, sections 40.036, subdivision 1; 40.07, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 40.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 40.036, is amended by adding a subdivision to read:

Subd. 1a. [ABANDONED WELLS.] (a) The state board shall provide cost-sharing funds for sealing abandoned wells and properly abandoning wells that are not subject to the abandonment requirements under chapter 156A. The cost share contracts must be based on a 75 percent state cost-share for the project.

(b) The abandonment project must be implemented under procedures adopted by the state board that protects groundwater from further contamination from the well. The district board must certify the location of the wells that have been properly sealed with cost-share funds and forward the certification to the state board.

(c) The owner of a well that has been certified as being properly sealed is not liable for contamination of groundwater from the well that occurs after the well has been sealed.

Sec. 2. [40.0371] [COST-SHARING CONTRACTS TO SEAL ABANDONED WELLS.]

The board shall establish a program to share the cost of projects to identify and permanently seal abandoned wells. The abandoned wells projects must protect groundwater from pollution. The wells must be abandoned and sealed under chapter 156A.

Sec. 3. [40.0372] [STATEWIDE ASSESSMENT.]

The board shall assess geographical areas for a potential for groundwater pollution caused by abandoned wells. The assessment must include notice of the program and assessment that is published in newspapers of general circulation and opportunities for persons to report abandoned wells to the district board. Districts having staff trained in groundwater resources must assess areas within their districts, in cooperation with the board. The board shall provide financial and technical assistance to districts for projects that have been assessed as areas with a high potential for groundwater pollution caused by abandoned wells.

Sec. 4. [40.0373] [FINANCIAL AND TECHNICAL ASSISTANCE.]

Subdivision 1. [FINANCIAL ASSISTANCE.] (a) The board must allocate at least 70 percent of available well abandonment cost-sharing funds to districts to share the cost of identifying or properly sealing abandoned wells in high-priority areas. Areas must be selected based on statewide priorities established by the board.

(b) Remaining cost-sharing funds may be allocated to districts for administrative expenses, not exceeding 20 percent of the funds, and sealing wells

in lower-priority areas.

Subd. 2. [TECHNICAL ASSISTANCE.] The board may provide technical assistance to districts to efficiently and effectively develop and implement projects.

Sec. 5. [40.0374] [ELIGIBILITY FOR ASSISTANCE.]

Subdivision 1. [GENERALLY.] Only projects that are a part of, or responsive to, a district comprehensive or annual work plan are eligible for the assistance provided in section 4. After July 1, 1991, only projects that are a part of, or responsive to, a local water plan under chapter 110B or section 473.8785 are eligible for the assistance provided in section 4.

Subd. 2. [DOCUMENTS REQUIRED.] To be eligible for the assistance provided in section 4, a district must provide the board with:

- (1) an application prescribed by the board;*
- (2) evidence that the district has consulted the local health department in preparing the application;*
- (3) one of the following documents:*
 - (i) the comprehensive water plan authorized under chapter 110B;*
 - (ii) the county groundwater plan authorized under section 473.8785; or*
 - (iii) the district comprehensive or annual work plan that provides an inventory of existing physical and hydrologic information about the area, that provides general identification of water quality problems and goals, and that demonstrates a local commitment to water quality protection or improvement.*

Sec. 6. [40.0375] [BOARD REVIEW OF APPLICATIONS.]

Subdivision 1. [RANKING OF APPLICATIONS.] The district boards must rank applications for technical and financial assistance in order of priority and within the limits of available funding and grant applications with the highest priority.

Subd. 2. [RANKING CRITERIA.] The state board must by rule adopt appropriate criteria for the district boards to determine the priority of projects. The criteria used to rank projects must include:

- (1) current use of the affected aquifer or aquifers for water supply;*
- (2) projected water demand;*
- (3) availability of alternate sources of drinking water;*
- (4) proximity of potential contaminant sources;*
- (5) aquifer susceptibility to contamination;*
- (6) current contamination of the wells and the aquifer; and*
- (7) present and anticipated land use in the area.*

Sec. 7. [40.0376] [IMPLEMENTATION.]

Subdivision 1. [CONTRACTS BY DISTRICTS.] A district may contract on a cost-share basis to furnish financial aid to a land occupier to seal abandoned wells. Payment to a land occupier must not be made until the well, or wells, specified in the contract has been properly sealed by a licensed water well contractor.

Subd. 2. [REVIEW BY BOARD.] The board or its designated representative may inspect a project at any reasonable time and must audit the cost-sharing funds expended by the district.

Sec. 8. [40.0377] [RULES FOR COST-SHARING PROGRAM.]

The board, in consultation with the commissioner of the department of health, must adopt rules specifying:

- (1) procedures and criteria for allocating funds to districts for cost-sharing contracts;*
- (2) standards and guidelines for all cost-sharing contracts;*
- (3) scope and content of comprehensive plans, plan amendments, and annual work plans which districts submit under section 40.07, subdivision 9;*
- (4) standards and methods necessary to plan and implement a priority cost-sharing program, including guidelines to identify high-priority areas;*
- (5) the share of the cost of sealing abandoned wells to be paid from cost-sharing funds; and*
- (6) requirements for districts to document their efforts to identify and contact land occupiers in high-priority areas.*

Sec. 9. [APPROPRIATION.]

Subdivision 1. [BOARD OF WATER AND SOIL RESOURCES.] \$4,000,000 is appropriated from the general fund to the board of water and soil resources to be available until June 30, 1990, for:

- (1) cost-share projects for well sealing \$*
- (2) conservation easements on susceptible recharge areas \$*
- (3) identification of susceptible recharge areas \$*

Subd. 2. [DEPARTMENT OF NATURAL RESOURCES.] \$ is appropriated from the general fund to the commissioner of natural resources to identify wells on state property."

Amend the title as follows:

Page 1, line 3, after "funds" insert "and technical assistance" and after the semicolon, insert "determining susceptible groundwater recharge areas; appropriating money;" and delete "sections" and insert "section"

Page 1, line 4, delete "subdivision 1; 40.07,"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2046 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2046	1931				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2046 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2046 and insert the language after the enacting clause of S.F. No. 1931, the first engrossment; further, delete the title of H.F. No. 2046 and insert the title of S.F. No. 1931, the first engrossment.

And when so amended H.F. No. 2046 will be identical to S.F. No. 1931, and further recommends that H.F. No. 2046 be given its second reading and substituted for S.F. No. 1931, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 2203, 2224, 2264, 2134, 1717, 2340, 2215, 1998, 2025, 2358, 2471, 2456, 1834, 1632, 2355, 2308, 1885, 1661, 1940, 2089, 1932, 1908, 2243, 1442, 1982, 2216, 1955, 1722, 1983, 1713, 2238, 2367, 2368, 2292, 2410, 2010, 2079, 2289, 2406, 1984, 2192, 1851, 308, 2104, 1553, 2107, 1615, 1871, 2119, 1879, 2451, 1830, 2278, 1790, 1735, 2257, 1675, 2156, 1532, 30, 1937, 2426, 2068, 2394, 2473, 2170, 2074, 2017 and 980 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 1784, 1941, 2008, 2045, 1659, 1773 and 2046 were read the second time.

MOTIONS AND RESOLUTIONS

Ms. Reichgott moved that the name of Mr. Storm be added as a co-author to S.F. No. 1134. The motion prevailed.

Mr. Cohen moved that the name of Mr. Johnson, D.J. be added as a co-author to S.F. No. 1514. The motion prevailed.

Ms. Berglin moved that the name of Mr. Marty be added as a co-author to S.F. No. 1680. The motion prevailed.

Mrs. Lantry moved that the name of Mr. Marty be added as a co-author to S.F. No. 1857. The motion prevailed.

Mr. Wegscheid moved that the name of Mr. Beckman be added as a co-author to S.F. No. 1910. The motion prevailed.

Mr. Ramstad moved that his name be stricken as a co-author to S.F. No. 2124. The motion prevailed.

Mr. Pehler moved that the name of Mr. Bertram be added as a co-author to S.F. No. 2303. The motion prevailed.

Mr. Berg moved that his name be stricken as a co-author to S.F. No. 2317. The motion prevailed.

Mr. Samuelson moved that his name be stricken as a co-author to S.F. No. 2317. The motion prevailed.

Mr. Luther moved that the name of Mr. Hughes be added as a co-author to S.F. No. 2398. The motion prevailed.

Mr. Luther moved that the name of Mr. Ramstad be added as a co-author to S.F. No. 2426. The motion prevailed.

Mr. Chmielewski moved that the name of Mr. Pehler be added as a co-author to S.F. No. 2427. The motion prevailed.

Mr. Chmielewski moved that the name of Mr. Pehler be added as a co-author to S.F. No. 2428. The motion prevailed.

Mr. Merriam moved that the names of Messrs. Bernhagen, Berg and Stumpf be added as co-authors to S.F. No. 2444. The motion prevailed.

Mr. Chmielewski moved that the name of Mr. Pehler be added as a co-author to S.F. No. 2473. The motion prevailed.

Ms. Olson introduced—

Senate Resolution No. 122: A Senate resolution congratulating the Mound-Westonka High School Mohawks Wrestling Team for being a participant in the 1988 State High School Class AA Wrestling Tournament.

Referred to the Committee on Rules and Administration.

Mr. Dahl moved that S.F. No. 2399 be withdrawn from the Committee on Judiciary and re-referred to the Committee on Commerce. The motion prevailed.

Mr. Freeman moved that S.F. No. 2025, on General Orders, be stricken and re-referred to the Committee on Finance. The motion prevailed.

Mr. Solon moved that S.F. No. 1940, on General Orders, be stricken and re-referred to the Committee on Education. The motion prevailed.

Mr. Benson moved that S.F. No. 1908, on General Orders, be stricken and re-referred to the Committee on Finance. The motion prevailed.

Mr. Spear moved that S.F. No. 762 be withdrawn from the Committee on Judiciary and re-referred to the Committee on Rules and Administration. The motion prevailed.

Mr. Davis moved that S.F. No. 1998, on General Orders, be stricken and re-referred to the Committee on Finance. The motion prevailed.

Ms. Berglin moved that S.F. No. 2463 be withdrawn from the Committee on Finance and re-referred to the Committee on Taxes and Tax Laws. The motion prevailed.

CONSENT CALENDAR

H.F. No. 1884: A bill for an act relating to state lands; authorizing private conveyance of tax-forfeited land in Beltrami county.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 57 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.J.	Moe, D.M.	Samuelson
Anderson	Davis	Jude	Moe, R.D.	Schmitz
Beckman	DeCramer	Knaak	Morse	Spear
Belanger	Diessner	Kroening	Novak	Storm
Benson	Frank	Langseth	Pehler	Stumpf
Berg	Frederick	Lantry	Peterson, D.C.	Taylor
Berglin	Frederickson, D.J.	Luther	Peterson, R.W.	Vickerman
Bernhagen	Frederickson, D.R.	Marty	Piper	Waldorf
Bertram	Freeman	McQuaid	Purfeerst	Wegscheid
Brandl	Gustafson	Mehrkens	Ramstad	
Chmielewski	Hughes	Merriam	Reichgott	
Cohen	Johnson, D.E.	Metzen	Renneke	

So the bill passed and its title was agreed to.

GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Hughes in the chair.

After some time spent therein, the committee arose, and Mr. Hughes reported that the committee had considered the following:

S.F. No. 1607 and H.F. No. 1740, which the committee recommends to pass.

S.F. No. 1623, which the committee recommends to pass with the following amendment offered by Mr. Morse:

Page 1, line 9, after "*deer*" insert ", *Odocoileus virginianus*,"

The motion prevailed. So the amendment was adopted.

On motion of Mr. Moe, R.D., the report of the Committee of the Whole, as kept by the Secretary, was adopted.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

Messrs. Beckman and Frank introduced—

S.F. No. 2496: A bill for an act relating to jobs and training; establishing demonstration projects to create housing for homeless people; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 268.

Referred to the Committee on Employment.

Messrs. Solon, Gustafson and Purfeerst introduced—

S.F. No. 2497: A bill for an act relating to taxation; income; excluding certain compensation for military services; amending Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19b.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Solon, Gustafson and Purfeerst introduced—

S.F. No. 2498: A bill for an act relating to taxation; income; allowing a subtraction from federal taxable income for income from military services

performed outside Minnesota; amending Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19b.

Referred to the Committee on Taxes and Tax Laws.

Mrs. Adkins introduced—

S.F. No. 2499: A bill for an act relating to health; excepting certain beds from the nursing home moratorium; amending Minnesota Statutes 1987 Supplement, section 144A.071, subdivision 3.

Referred to the Committee on Health and Human Services.

Mr. Cohen introduced—

S.F. No. 2500: A bill for an act relating to insurance; no-fault auto; clarifying eligibility for economic loss benefits; amending Minnesota Statutes 1986, sections 65B.51, subdivision 2; and 65B.64, subdivisions 2 and 3.

Referred to the Committee on Commerce.

Messrs. Ramstad and Johnson, D.E. introduced—

S.F. No. 2501: A bill for an act relating to crimes; requiring mandatory minimum terms of imprisonment for soliciting, inducing, or promoting prostitution or receiving profits derived from prostitution; amending Minnesota Statutes 1986, sections 609.322, by adding subdivisions; and 609.323, by adding subdivisions.

Referred to the Committee on Judiciary.

Mr. Chmielewski introduced—

S.F. No. 2502: A bill for an act relating to retirement benefits for volunteer firefighters; providing a state paid supplemental benefit; proposing coding for new law in Minnesota Statutes, chapter 424A.

Referred to the Committee on Governmental Operations.

Messrs. Decker, Anderson and Stumpf introduced—

S.F. No. 2503: A bill for an act relating to state lands; creating the Paul Bunyan Trail; authorizing the use of previously appropriated state bond revenues to purchase land for a state trail; appropriating money; amending Minnesota Statutes 1986, section 85.015, by adding a subdivision.

Referred to the Committee on Environment and Natural Resources.

Messrs. Samuelson and Jude introduced—

S.F. No. 2504: A bill for an act relating to taxation; income; excluding certain volunteer firefighters lump sum distributions; amending Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19b.

Referred to the Committee on Taxes and Tax Laws.

Mr. Frederickson, D.J. introduced—

S.F. No. 2505: A resolution memorializing Congress to more fairly and equitably assign reimbursement rates to rural counties under TEFRA risk contracts under Medicare.

Referred to the Committee on Health and Human Services.

Mr. Pogemiller introduced—

S.F. No. 2506: A bill for an act relating to family law; regulating child support; proposing coding for new law in Minnesota Statutes, chapter 518.

Referred to the Committee on Health and Human Services.

Mr. Luther introduced—

S.F. No. 2507: A bill for an act relating to insurance; insurance adjusters; permitting homeowners to cancel contracts with a public adjuster under certain circumstances; proposing coding for new law in Minnesota Statutes, chapter 72B.

Referred to the Committee on Commerce.

Messrs. Morse, Langseth, Beckman, Wegscheid and DeCramer introduced—

S.F. No. 2508: A bill for an act relating to workers' compensation; abolishing the workers' compensation court of appeals and transferring jurisdiction of that court to the court of appeals; amending Minnesota Statutes 1986, section 480A.06, subdivision 4; repealing Minnesota Statutes 1986, sections 175A.01; 175A.02; 175A.03; 175A.04; 175A.05; 175A.06; 175A.07, subdivisions 1, 3, and 4; 175A.08; 175A.09; and 175A.10; and Minnesota Statutes 1987 Supplement, section 175A.07, subdivision 2.

Referred to the Committee on Employment.

Messrs. Johnson, D.J. and Dicklich introduced—

S.F. No. 2509: A bill for an act relating to state agencies; authorizing the iron range resources and rehabilitation board to purchase fire insurance for facilities operated by the board; amending Minnesota Statutes 1986, section 15.38, by adding a subdivision.

Referred to the Committee on Economic Development and Housing.

Messrs. Johnson, D.J. and Dicklich introduced—

S.F. No. 2510: A bill for an act relating to taxation; authorizing the allocation of additional tax reductions for an enterprise zone; amending Minnesota Statutes 1987 Supplement, section 469.169, by adding a subdivision.

Referred to the Committee on Economic Development and Housing.

Messrs. Johnson, D.J. and Dicklich introduced—

S.F. No. 2511: A bill for an act relating to labor; providing for conformity with federal minimum wage; amending Minnesota Statutes 1987 Supplement, section 177.24, subdivision 1.

Referred to the Committee on Employment.

Mr. Johnson, D.J. introduced—

S.F. No. 2512: A bill for an act relating to taxation; sales and use; exempting used motor oil; exempting certain pollution control and other equipment used for hauling or processing used motor oils; amending Minnesota Statutes 1986, sections 297A.15, subdivision 5; and 297A.25, by adding subdivisions.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Marty and Luther introduced—

S.F. No. 2513: A bill for an act relating to metropolitan government; creating a legislative task force to monitor performance of metropolitan agencies in complying with certain laws; prescribing the contents of affirmative action plans for metropolitan agencies and a process for approval and reporting of those plans; requiring purchases from small businesses and businesses owned by socially or economically disadvantaged persons; amending Minnesota Statutes 1986, sections 473.141, subdivision 9, and by adding a subdivision; and 473.406, subdivisions 2, 5, 6, and 7; proposing coding for new law in Minnesota Statutes, chapters 3 and 473; repealing Minnesota Statutes 1986, section 473.556, subdivision 14.

Referred to the Committee on Governmental Operations.

Mr. Dahl introduced—

S.F. No. 2514: A bill for an act relating to agriculture; prohibiting the sale of irradiated foods; proposing coding for new law in Minnesota Statutes, chapter 31.

Referred to the Committee on Agriculture.

Mr. Gustafson introduced—

S.F. No. 2515: A bill for an act relating to the iron range resources and rehabilitation board; expanding its project area to include independent school district No. 704; amending Minnesota Statutes 1986, section 298.2211, subdivision 2.

Referred to the Committee on Economic Development and Housing.

Mr. Knutson introduced—

S.F. No. 2516: A bill for an act relating to metropolitan government; regulating the finances of the metropolitan council; amending Minnesota Statutes 1986, sections 473.13, subdivisions 1 and 4; and 473.249, subdivision 1.

Referred to the Committee on Local and Urban Government.

Mr. Belanger introduced—

S.F. No. 2517: A bill for an act relating to authorities; permitting a waiver of contractor's payment and performance bond on certain parking facilities; making chapter 514 applicable if waiver is permitted; amending Minnesota Statutes 1987 Supplement, sections 469.015, subdivision 4; and 469.068,

by adding a subdivision.

Referred to the Committee on Economic Development and Housing.

Mr. Frederickson, D.J. introduced—

S.F. No. 2518: A bill for an act relating to retirement benefits for volunteer firefighters; providing a state paid supplemental benefit; proposing coding for new law in Minnesota Statutes, chapter 424A.

Referred to the Committee on Governmental Operations.

Messrs. Novak, Berg, Lessard, Merriam and Bernhagen introduced—

S.F. No. 2519: A resolution memorializing the Congress of the United States to adequately fund the Fish and Wildlife Service.

Referred to the Committee on Environment and Natural Resources.

Mr. Chmielewski introduced—

S.F. No. 2520: A bill for an act relating to capital improvements; authorizing recovery of losses and expenses resulting from an arbitration award for a construction project at Ironworld; appropriating money.

Referred to the Committee on Economic Development and Housing.

Messrs. Beckman and Vickerman introduced—

S.F. No. 2521: A bill for an act relating to state government; eliminating the compensation council; repealing Minnesota Statutes 1986, section 15A.082.

Referred to the Committee on Governmental Operations.

Messrs. Waldorf and Wegscheid introduced—

S.F. No. 2522: A bill for an act relating to retirement; consolidating local police and salaried firefighters relief associations; providing a benefit increase for retirees and beneficiaries of consolidating relief associations; amending Minnesota Statutes 1987 Supplement, section 353A.08, subdivisions 1 and 2.

Referred to the Committee on Governmental Operations.

Mr. Gustafson, Mrs. Brataas, Messrs. Decker, Renneke and Bernhagen introduced—

S.F. No. 2523: A bill for an act relating to workers' compensation; regulating workers' compensation benefits and administration; regulating workers' compensation insurance; requiring certain reports relating to workers' compensation; amending Minnesota Statutes 1986, sections 79.251, subdivisions 2, 3, 4, and 5; 79.252, subdivision 1; 176.011, subdivisions 3 and 18, and by adding a subdivision; 176.021, subdivision 3; 176.061, subdivision 10; 176.101, subdivisions 1, 2, 4, and 5, and by adding a subdivision; 176.102, subdivisions 1, 7, and 11; 176.105, subdivision 1; 176.111, subdivisions 6, 7, 8, 12, 14, and 20; 176.131, subdivisions 1a, 2, 3, 4, and 5, and by adding a subdivision; 176.132, subdivisions 1 and 2; 176.645, subdivision 2; 176.66, subdivision 11; 480A.06, subdivision 4; Minnesota

Statutes 1987 Supplement, sections 176.102, subdivisions 3, 3a, and 4; 176.111, subdivisions 15 and 21; 176.131, subdivisions 1 and 8; proposing coding for new law in Minnesota Statutes, chapter 176; repealing Minnesota Statutes 1986, sections 175A.01; 175A.02; 175A.03; 175A.04; 175A.05; 175A.06; 175A.07, subdivisions 1, 3, and 4; 175A.08; 175A.09; 175A.10; 176.011, subdivision 26; and 176.101, subdivisions 3a to 3u and 6; Minnesota Statutes 1987 Supplement, section 175A.07, subdivision 2.

Referred to the Committee on Employment.

Mrs. Adkins and Mr. Metzen introduced—

S.F. No. 2524: A bill for an act relating to local government; changing a procedure for detachment and annexation of incorporated land; repealing Minnesota Statutes 1986, section 414.061, subdivision 5.

Referred to the Committee on Local and Urban Government.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:00 noon, Tuesday, March 15, 1988. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

SIXTY-NINTH DAY

St. Paul, Minnesota, Tuesday, March 15, 1988

The Senate met at 12:00 noon and was called to order by the President.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by Senator Donald A. Storm.

The roll was called, and the following Senators answered to their names:

Adkins	Davis	Jude	Moe, D.M.	Renneke
Anderson	Decker	Knaak	Moe, R.D.	Samuelson
Beckman	DeCramer	Kroening	Morse	Schmitz
Belanger	Dicklich	Laidig	Novak	Solon
Benson	Diessner	Langseth	Olson	Spear
Berg	Frank	Lantry	Pehler	Storm
Berglin	Frederick	Lessard	Peterson, D.C.	Stumpf
Bernhagen	Frederickson, D.J.	Luther	Peterson, R.W.	Vickerman
Bertram	Frederickson, D.R.	Marty	Piper	Waldorf
Brandl	Freeman	McQuaid	Pogemiller	Wegscheid
Chmielewski	Hughes	Mehrkens	Purfeerst	
Cohen	Johnson, D.E.	Merriam	Ramstad	
Dahl	Johnson, D.J.	Metzen	Reichgott	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

MEMBERS EXCUSED

Mr. Gustafson was excused from the Session of today.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 1594: A bill for an act relating to human services; providing for definitions, exclusions, access to records, and period of receivership under the human services licensing act; liability of the state for municipal inspection functions; amending Minnesota Statutes 1986, section 466.132; and Minnesota Statutes 1987 Supplement, sections 245A.02, subdivision 13;

245A.03, subdivision 2; 245A.04, subdivisions 3 and 5; 245A.095, subdivision 1; 245A.11, subdivision 5; 245A.13, subdivision 5; 256D.01, subdivision 1d; and 256D.37, subdivision 5; repealing Minnesota Statutes 1987 Supplement, sections 256D.01, subdivision 1c; and 256D.37, subdivision 4.

Senate File No. 1594 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 14, 1988

CONCURRENCE AND REPASSAGE

Mrs. Lantry moved that the Senate concur in the amendments by the House to S.F. No. 1594 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1594 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 56 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Knaak	Moe, R.D.	Samuelson
Anderson	Decker	Kroening	Morse	Schmitz
Beckman	DeCramer	Laidig	Olson	Spear
Belanger	Dicklich	Langseth	Pehler	Storm
Benson	Diessner	Lantry	Peterson, D.C.	Stumpf
Berg	Frank	Luther	Peterson, R.W.	Vickerman
Berglin	Frederick	Marty	Piper	Waldorf
Bernhagen	Freeman	McQuaid	Pogemiller	Wegscheid
Bertram	Hughes	Mehrkens	Purfeerst	
Brandl	Johnson, D.E.	Merriam	Ramstad	
Chmielewski	Johnson, D.J.	Metzen	Reichgott	
Cohen	Jude	Moe, D.M.	Renneke	

So the bill, as amended, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 1731, 1732, 1767, 1831, 1904, 2022, 2254, 2358, 1681, 1774, 2509, 2529, 2402, 2449, 2463, 2469, 1748, 1961, 2508, 2637, 322, 1589, 1804, 1838, 1844, 1855, 1913, 1923, 2117, 1864, 1922, 2434, 2630 and 2735.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 14, 1988

FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H.F. No. 1731: A bill for an act relating to the city of Proctor; authorizing the continuance of a municipal liquor store.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2033, now on General Orders.

H.F. No. 1732: A bill for an act relating to intoxicating liquor; authorizing extended off-sale hours on the day preceding Thanksgiving day; amending Minnesota Statutes 1986, section 340A.504, subdivision 4.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1692, now on General Orders.

H.F. No. 1767: A bill for an act relating to commerce; real property; requiring notice of foreclosure by advertisement to separately list record owners with no legally protected interest in the real estate; proposing coding for new law in Minnesota Statutes, chapter 580.

Referred to the Committee on Judiciary.

H.F. No. 1831: A bill for an act relating to intoxicating liquor; authorizing issuance of one on-sale liquor license on an excursion and dinner boat on Detroit Lake, Becker county; authorizing issuance of an on-sale liquor license to Fort Snelling.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1667, now on General Orders.

H.F. No. 1904: A bill for an act relating to liquor; defining the term "restaurant" for purposes of county liquor licenses; amending Minnesota Statutes 1986, section 340A.101, subdivision 25.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1793, now on General Orders.

H.F. No. 2022: A bill for an act relating to agriculture; adding members to the state agricultural society; amending Minnesota Statutes 1986, section 37.03, subdivision 1.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1936, now on General Orders.

H.F. No. 2254: A bill for an act relating to liquor; authorizing the city of Blaine to issue an on-sale intoxicating liquor license to the Pheasant Ridge Music Center.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2357, now on General Orders.

H.F. No. 2358: A bill for an act relating to state lands; authorizing sale of certain tax-forfeited lands that border public water in East Grand Forks, Polk county.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2213, now on General Orders.

H.F. No. 1681: A bill for an act relating to civil actions; modifying the statute of limitations for damages based on services or construction to improve real property; amending Minnesota Statutes 1986, section 541.051, subdivision 1.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1532, now on General Orders.

H.F. No. 1774: A bill for an act relating to alcoholic beverages; making certain illegal gifts of alcoholic beverages subject to civil liability; providing for notice of claims; amending Minnesota Statutes 1986, sections 340A.801, subdivision 4; and 340A.802; Minnesota Statutes 1987 Supplement, section 340A.801, subdivision 1.

Referred to the Committee on Commerce.

H.F. No. 2509: A bill for an act relating to state lands; authorizing private sale of tax-forfeited land in St. Louis county.

Referred to the Committee on Environment and Natural Resources.

H.F. No. 2529: A bill for an act relating to alcoholic beverages; defining importers as brewers in the beer wholesaling act; amending Minnesota Statutes 1986, section 325B.01, subdivision 4.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2352, now on General Orders.

H.F. No. 2402: A bill for an act relating to economic development; permitting certain development authorities to hold certain licenses; amending Minnesota Statutes 1987 Supplement, section 469.155, subdivision 13.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2192, now on General Orders.

H.F. No. 2449: A bill for an act relating to agriculture; directing the commissioner of agriculture to study ownership of Minnesota farmland by limited partnerships.

Referred to the Committee on Agriculture.

H.F. No. 2463: A bill for an act relating to state agencies; authorizing the iron range resources and rehabilitation board to purchase fire insurance for facilities operated by the board; amending Minnesota Statutes 1986, section 15.38, by adding a subdivision.

Referred to the Committee on Economic Development and Housing.

H.F. No. 2469: A bill for an act relating to agriculture; regulating sales of anhydrous ammonia; proposing coding for new law in Minnesota Statutes, chapter 239.

Referred to the Committee on Agriculture.

H.F. No. 1748: A bill for an act relating to the handicapped; permitting equal access to public accommodations for persons using a service dog; amending Minnesota Statutes 1986, section 256C.025, subdivision 4.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1972.

H.F. No. 1961: A bill for an act relating to property interests; setting the effective date of the uniform statutory rule against perpetuities; amending Minnesota Statutes 1987 Supplement, section 501A.05; and Laws 1987, chapter 60, section 10.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2394, now on the Consent Calendar.

H.F. No. 2508: A bill for an act relating to statute of limitations; providing relief for certain individuals denied a remedy due to the unconstitutionality of a statute of limitation relating to real property improvement.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2257, now on General Orders.

H.F. No. 2637: A bill for an act relating to the city of Farmington; permitting the sale of certain tax-forfeited land.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2410, now on General Orders.

H.F. No. 322: A bill for an act relating to retirement; highway patrol formula; amending Minnesota Statutes 1987 Supplement, section 352B.08, subdivision 2.

Referred to the Committee on Governmental Operations.

H.F. No. 1589: A bill for an act relating to real property; providing a restriction on the duration of conditions affecting certain real property; providing an exemption for the city of North Oaks; amending Minnesota Statutes 1986, section 500.20, by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1615, now on General Orders.

H.F. No. 1804: A bill for an act relating to retirement; authorizing a defined contribution plan for the Fridley volunteer firefighter's relief association.

Referred to the Committee on Governmental Operations.

H.F. No. 1838: A bill for an act relating to intermediate school districts; permitting certain school districts to become a participating school district of intermediate school district number 917; amending Minnesota Statutes 1986, section 136D.81.

Referred to the Committee on Education.

H.F. No. 1844: A bill for an act relating to courts; prescribing when a referee's orders become effective; amending Minnesota Statutes 1986, section 484.70, subdivision 7.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2279.

H.F. No. 1855: A bill for an act relating to state employees; authorizing the purchase of certain insurance coverage by retired legislative employees; amending Minnesota Statutes 1986, section 43A.27, subdivision 4.

Referred to the Committee on Governmental Operations.

H.F. No. 1913: A bill for an act relating to employment; prohibiting employer reprisals against employees who decline to participate in charitable fund drives; proposing coding for new law in Minnesota Statutes, chapter 181.

Referred to the Committee on Employment.

H.F. No. 1923: A bill for an act relating to civil actions; imposing civil liability for the theft of merchandise and shopping carts; proposing coding for new law in Minnesota Statutes, chapter 332.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1668.

H.F. No. 2117: A bill for an act relating to public finance; providing

conditions of local and state government debt financing; allocating bonding authority subject to a volume cap under federal tax law; amending Minnesota Statutes 1987 Supplement, sections 474A.04, subdivision 1a; 474A.061, subdivisions 2 and 4; and 474A.091; repealing Minnesota Statutes 1987 Supplement, section 474A.061, subdivision 5.

Referred to the Committee on Taxes and Tax Laws.

H.F. No. 1864: A bill for an act relating to the city of Jordan; enabling the city to issue tax anticipation certificates.

Referred to the Committee on Taxes and Tax Laws.

H.F. No. 1922: A bill for an act relating to crimes; prohibiting the sale or distribution of contraceptives on elementary and secondary school grounds; repealing the prohibition against the sale of articles relating to prevention of conception or disease; prescribing a penalty; proposing coding for new law in Minnesota Statutes, chapter 617; repealing Minnesota Statutes 1986, section 617.251.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2400.

H.F. No. 2434: A bill for an act relating to the city of Duluth; authorizing the expenditure of previously appropriated funds for acquisition or construction of Duluth's Western Waterfront Trail.

Referred to the Committee on Finance.

H.F. No. 2630: A bill for an act relating to the city of Minnetonka; excluding volunteer firefighters from membership in the public employees police and fire fund.

Referred to the Committee on Governmental Operations.

H.F. No. 2735: A resolution memorializing the President to immediately direct the Secretary of Agriculture to halt the forced movement of Farmer-Owned Reserve grains to commercial warehouses.

Referred to the Committee on Agriculture.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

S.F. No. 489: A bill for an act relating to retirement; certain public retirement systems; setting age 62 as the normal retirement age; providing for actuarial reduction of benefits for early retirement; changing the retirement annuity formula; amending Minnesota Statutes 1986, sections 352.01, subdivisions 2B and 19; 352.113, subdivisions 1, 3, 4, 10, and 12; 352.115, subdivisions 2 and 3; 352.116, subdivisions 1 and 2; 352.72, subdivision 5; 352.91, subdivision 3; 352.95, subdivision 5; 353.29, subdivisions 1 and 3; 353.30, subdivision 1; 353.32, subdivision 1a; 353.33, subdivisions 1, 3, and 11; 353.34, subdivisions 3 and 3b; 353.71, subdivision 5; 354.44, subdivisions 6 and 7; 354.46, subdivision 1; 354.48, subdivisions 3 and 10; 354.49, subdivision 3; 354.55, subdivision 11; 354A.31, subdivisions 4, 5, and 6; 354A.36, subdivisions 3 and 10; 354A.37, subdivision 4; and

356.32, subdivision 1; repealing Minnesota Statutes 1986, section 353.30, subdivisions 1a, 1b, and 1c.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

Section 1. Minnesota Statutes 1987 Supplement, section 352.115, subdivision 3, is amended to read:

Subd. 3. [RETIREMENT ANNUITY FORMULA.] The employee's average salary, as defined in subdivision 2, multiplied by ~~one percent per year of allowable service for the first ten years and~~ 1.5 percent for each later year of allowable service and pro rata for completed months less than a full year ~~shall determine~~ *determines* the amount of the retirement annuity to which the employee is entitled.

Sec. 2. Minnesota Statutes 1987 Supplement, section 352.116, subdivision 2, is amended to read:

Subd. 2. [NORMAL ANNUITY AT AGE 65 62.] ~~Any~~ *An* employee who retires after age ~~65 shall be paid~~ *62 is entitled to* the annuity provided in section 352.115.

Sec. 3. Minnesota Statutes 1987 Supplement, section 353.29, subdivision 1, is amended to read:

Subdivision 1. [AGE AND ALLOWABLE SERVICE REQUIREMENTS.] Upon separation from public service ~~any~~, *a* person who has attained ~~the at least age of at least 65 years~~ *62* and who received credit for not less than five years of allowable service is entitled upon application to a "normal" retirement annuity. ~~Such retirement annuity is known as the "normal" retirement annuity.~~

Sec. 4. Minnesota Statutes 1986, section 353.29, subdivision 3, is amended to read:

Subd. 3. [RETIREMENT ANNUITY FORMULA.] The average salary, as defined in subdivision 2, multiplied by two percent for each year of allowable service for the first ten years and ~~thereafter~~, *after ten years*, by 2.5 percent ~~per for each~~ year of allowable service and completed months less than a full year for the "basic member," ~~and one percent for each year of allowable service for the first ten years and thereafter~~ by 1.5 percent ~~per for each~~ year of allowable service and completed months less than a full year for the "coordinated member," ~~shall determine~~ *determines* the amount of the "normal" retirement annuity.

Sec. 5. Minnesota Statutes 1986, section 354.44, subdivision 6, is amended to read:

Subd. 6. [COMPUTATION OF FORMULA PROGRAM RETIREMENT ANNUITY.] ~~(1) (a)~~ The formula retirement annuity ~~hereunder shall~~ *must* be computed in accordance with ~~the applicable provisions of the formula stated in clause (2) hereof~~ *paragraph (b)* on the basis of each member's average salary for the period of the member's formula service credit. For the purposes of computing the formula benefits under the formula and variable program, if a combination of these formulas is used, the formula

percentages used ~~will~~ *must* be those percentages in each formula as continued for the respective years of service from one formula to the next.

For all years of formula service credit, "average salary," for the purpose of determining the member's retirement annuity, means the average salary upon which contributions were made and upon which payments were made to increase the salary limitation provided in Minnesota Statutes 1971, section 354.511, for the highest five successive years of formula service credit ~~provided however that such~~. "Average salary" ~~shall~~ *may* not include ~~any~~ more than the equivalent of 60 monthly salary payments.

~~(2) (b) The average salary as defined in clause (1) paragraph (a), multiplied by the following percentages per year of formula service credit shall determine, determines the amount of the annuity to which the member qualifying therefor for an annuity is entitled:~~

	Coordinated Member	Basic Member
Each year of service during first ten	1.0 1.5 percent per year	2.0 percent per year
Each year of service thereafter after ten years	1.5 percent per year	2.5 percent per year

~~(3) Where any (c) When a member retires prior to before age 65 62 under a formula annuity, the member shall be paid is entitled to a retirement annuity in an amount equal to the normal annuity provided in this subdivision and subdivision 7, reduced by one half of one percent for each month that the member is under age 65 to and including age 60 and reduced by one fourth of one percent for each month under age 60 at the time of retirement except that for any member who has 30 or more years of allowable service credit, the reduction shall be applied only for each month which the member is under so that the reduced annuity is the actuarial equivalent of the annuity that would be payable to the member if the member deferred receipt of the annuity from the day the annuity begins to accrue to age 62.~~

Sec. 6. Minnesota Statutes 1986, section 354A.31, subdivision 4, is amended to read:

Subd. 4. [COMPUTATION OF THE NORMAL COORDINATED RETIREMENT ANNUITY.] The normal coordinated retirement annuity ~~shall be~~ *is* an amount equal to a retiring coordinated member's average salary multiplied by the retirement annuity formula percentage. Average salary for purposes of this section ~~shall mean means~~ an amount equal to the average salary upon which contributions were made for the highest five successive years of service credit, but ~~which shall~~ *may* not in any event include ~~any~~ more than the equivalent of 60 monthly salary payments. The retirement annuity formula percentage for purposes of this section ~~shall mean one percent per year for each year of coordinated service for the first ten years and means 1-1/2 percent for each year of coordinated service thereafter.~~

Sec. 7. Minnesota Statutes 1987 Supplement, section 354A.31, subdivision 5, is amended to read:

Subd. 5. [UNREDUCED NORMAL RETIREMENT ANNUITY.] Upon retirement at age ~~65~~ 62 with at least five years of service credit ~~or at age 62 with at least 30 years of service credit~~, a coordinated member shall be

is entitled to a normal retirement annuity calculated pursuant to under subdivision 4.

Sec. 8. [356.72] [BENEFIT AND CONTRIBUTION PHASE-IN.]

Subdivision 1. [BENEFIT PHASE-IN.] (a) Notwithstanding sections 352.115, subdivision 3; 353.29, subdivision 3; 354.44, subdivision 6; and 354A.31, subdivision 4, the average salary of a person retiring in the following years must be multiplied by the following percentages for each of the first ten years of the person's service: 1.1 percent in 1989, 1.2 percent in 1990, 1.3 percent in 1991, 1.4 percent in 1992, and 1.5 percent beginning in 1993.

(b) Notwithstanding section 354.44, subdivision 7, the average salary of a person retiring in the following years for formula service must be multiplied by the following percentages for each of the first ten years of the person's service: 0.55 percent in 1989, 0.60 percent in 1990, 0.65 percent in 1991, 0.70 percent in 1992, and 0.75 percent beginning in 1993.

Subd. 2. [CONTRIBUTION AMOUNT AND PHASE-IN.] (a) Notwithstanding sections 352.04, subdivisions 2 and 3; 353.27, subdivisions 2 and 3; 354.42, subdivisions 2 and 3; and 354A.12, subdivisions 1 and 2, the employee contribution rate must be increased by one-half of the net percentage of covered payroll increase in the normal cost and supplemental contribution requirement attributable to this act for the applicable benefit program, and the employer contribution rate must be increased by an identical percentage of covered payroll amount. The executive director of each pension plan shall determine these amounts from the first regular actuarial valuation of the plan after the date of enactment as prepared by the actuary retained by the legislative commission on pensions and retirement.

(b) The increased employee and employer contribution rates must be phased in beginning July 1, 1989, in three equal installments.

Sec. 9. [EFFECTIVE DATE.]

Sections 1 to 8 are effective July 1, 1989.

ARTICLE 2

Section 1. Minnesota Statutes 1987 Supplement, section 352.01, subdivision 2b, is amended to read:

Subd. 2b. [EXCLUDED EMPLOYEES.] "State employee" does not include:

- (1) elective state officers;
- (2) students employed by the University of Minnesota, the state universities, and community colleges unless approved for coverage by the board of regents, the state university board, or the state board for community colleges, as the case may be;
- (3) employees who are eligible for membership in the state teachers retirement association except employees of the department of education who have chosen or may choose to be covered by the Minnesota state retirement system instead of the teachers retirement association;
- (4) employees of the University of Minnesota who are excluded from coverage by action of the board of regents;
- (5) officers and enlisted personnel in the national guard and the naval

militia who are assigned to permanent peacetime duty and who under federal law are or are required to be members of a federal retirement system;

(6) election officers;

(7) persons engaged in public work for the state but employed by contractors when the performance of the contract is authorized by the legislature or other competent authority;

(8) officers and employees of the senate and house of representatives or a legislative committee or commission who are temporarily employed;

(9) court employees, referees, receivers, jurors, and notaries public, except employees of the appellate courts and referees and adjusters employed by the department of labor and industry;

(10) patient and inmate help in state charitable, penal, and correctional institutions including the Minnesota veterans home;

(11) persons employed for professional services where the service is incidental to regular professional duties and whose compensation is paid on a per diem basis;

(12) employees of the Sibley House Association;

(13) employees of the Grand Army of the Republic and employees of the ladies of the G.A.R.;

(14) operators and drivers employed under section 16.07, subdivision 4;

(15) the members of ~~any~~ a state board or commission who serve the state intermittently and are paid on a per diem basis; the secretary, secretary-treasurer, and treasurer of those boards if ~~their~~ the compensation of the officer is \$500 or less per a year, or, if ~~they are~~ the officer is legally prohibited from serving more than two consecutive terms and ~~their~~ the officer's total service on the board or commission is required by law to be less than ten years; and the board of managers of the state agricultural society and its treasurer unless the treasurer is also its full-time secretary;

(16) state troopers;

(17) temporary employees of the Minnesota state fair agricultural society employed on or after July 1 for a period not to extend beyond October 15 of that year; and persons employed ~~at any time~~ by the state fair administration for special events held on the fairgrounds;

(18) emergency employees in the classified service; except that if an emergency employee, within the same pay period, becomes a provisional or probationary employee on other than a temporary basis, the employee ~~shall be~~ is considered a "state employee" retroactively to the beginning of the pay period;

(19) persons described in section 352B.01, subdivision 2, clauses (b) and (c), formerly defined as state police officers;

(20) temporary employees in the classified service, temporary employees in the unclassified service appointed for a definite period of not more than six months and employed less than six months in any one-year period, and seasonal help in the classified service employed by the department of revenue;

(21) trainees paid under budget classification number 41, and other trainee employees, except those listed in subdivision 2a, clause (10);

- (22) persons whose compensation is paid on a fee basis;
- (23) state employees who in any year have credit for 12 months service as teachers in the public schools of the state and *who*, as teachers, are members of the teachers retirement association or a retirement system in St. Paul, Minneapolis, or Duluth;
- (24) employees of the adjutant general employed on an unlimited intermittent or temporary basis in the classified and unclassified service for the support of army and air national guard training facilities;
- (25) chaplains and nuns who have taken a vow of poverty as members of a religious order;
- (26) labor service employees employed as a laborer 1 on an hourly basis;
- (27) examination monitors employed by departments, agencies, commissions, and boards to conduct examinations required by law;
- (28) members of appeal tribunals, exclusive of the chair, to which reference is made in section 268.10, subdivision 4;
- (29) persons appointed to serve as members of fact-finding commissions or adjustment panels, *or as arbitrators, or labor referees under chapter 179;*
- (30) temporary employees employed for limited periods under ~~any~~ a state or federal program for training or rehabilitation, including persons employed for limited periods from areas of economic distress except skilled and supervisory personnel and persons having civil service status covered by the system;
- (31) full-time students employed by the Minnesota historical society intermittently during part of the year and full-time during the summer months;
- (32) temporary employees, appointed for not more than six months, of the metropolitan council ~~and of any of its statutory boards, if or of a metropolitan agency the board members of which~~ are appointed by the metropolitan council;
- (33) persons employed in positions designated by the department of employee relations as student workers;
- (34) ~~any~~ a person who is ~~65 years of age~~ 62 or older when appointed and who does not have allowable service credit for previous employment, unless the employee gives notice to the director within 60 days after appointment that coverage is desired;
- (35) members of trades employed *after June 1, 1977*, by the metropolitan waste control commission with trade union pension plan coverage under a collective bargaining agreement ~~first employed after June 1, 1977;~~
- (36) persons employed in subsidized on-the-job training, ~~work experience work-experience~~, or ~~public service~~ public-service employment as enrollees under the federal Comprehensive Employment and Training Act after March 30, 1978, unless the ~~person has~~ persons have, as of the later of March 30, 1978, or the date of employment, sufficient service credit in the retirement system to meet the minimum vesting requirements for a deferred annuity, or the employer agrees in writing on forms prescribed by the director to make the required employer contributions, including ~~any~~ employer additional contributions, on account of ~~that person~~ the persons

from revenue sources other than funds provided under the federal Comprehensive Employment and Training Act, or the ~~person agrees~~ *persons agree* in writing on forms prescribed by the director to make the required employer contribution in addition to the required employee contribution;

(37) off-duty peace officers while employed by the metropolitan transit commission under section 629.40, subdivision 5; and

(38) persons who are employed as full-time firefighters by the department of military affairs and as firefighters are members of the public employees police and fire fund.

Sec. 2. Minnesota Statutes 1987 Supplement, section 352.01, subdivision 19, is amended to read:

Subd. 19. [RETIREMENT.] "Retirement" means the time after a state employee is entitled to an accrued annuity, as defined in subdivision 21, payable under an application for annuity filed in the office of the system as provided in section 352.115, subdivision 8, or, in the case of an employee who has received a disability benefit, when that employee reaches age ~~65~~ 62.

Sec. 3. Minnesota Statutes 1987 Supplement, section 352.113, subdivision 1, is amended to read:

Subdivision 1. [AGE AND SERVICE REQUIREMENTS.] ~~Any~~ *Any* An employee covered by the system who is less than ~~65 years old~~ *age 62* who becomes totally and permanently disabled after five or more years of allowable service is entitled to a disability benefit in an amount provided in subdivision 3. If the disabled employee's state service has terminated at any time, the employee must have at least three years of allowable service after last becoming a state employee covered by the system.

Sec. 4. Minnesota Statutes 1987 Supplement, section 352.113, subdivision 3, is amended to read:

Subd. 3. [COMPUTATION OF BENEFITS.] The total and permanent disability benefit must be computed in the manner provided in section 352.115. The disability benefit ~~shall be~~ *is* the normal annuity without reduction for each month the employee is under age ~~65~~ 62 at the time of becoming disabled. A disabled employee may choose to receive the normal disability benefit or an optional annuity as provided in section 352.116, subdivision 3. This choice must be made before the start of payment of the disability benefit and is effective the date on which the disability begins to accrue ~~as provided in~~ *under* subdivision 2.

Sec. 5. Minnesota Statutes 1987 Supplement, section 352.113, subdivision 4, is amended to read:

Subd. 4. [MEDICAL EXAMINATIONS; AUTHORIZATION FOR PAYMENT OF BENEFIT.] An applicant shall provide medical evidence to support an application for total and permanent disability. The director shall have the employee examined by at least one additional licensed physician designated by the medical advisor. The physicians shall make written reports to the director concerning the employee's disability including medical opinions as to whether the employee is permanently and totally disabled within the meaning of section 352.01, subdivision 17. The director shall also obtain written certification from the employer stating whether the employee is on sick leave of absence because of a disability that will prevent further service to the employer and, as a consequence, the employee is not entitled

to compensation from the employer. The medical advisor shall consider the reports of the physicians and any other evidence supplied by the employee or other interested parties. If the medical advisor finds the employee totally and permanently disabled, the advisor shall make ~~appropriate~~ a written recommendation to the director ~~in writing together with~~, including the date from which the employee has been totally disabled. The director shall then determine the propriety of authorizing payment of a disability benefit ~~as provided in under~~ this section. The employee must be on approved leave of absence from the employer to be eligible to apply for a total and permanent disability benefit, but the ~~fact that an employee is placed~~ *employee's placement* on leave of absence without compensation because of disability does not bar ~~that the~~ employee from receiving a disability benefit. Unless payment of a disability benefit has terminated because the employee is no longer totally disabled, or because the employee has reached age ~~65~~ 62 as provided in this section, the disability benefit ~~shall cease~~ *ceases* when the last payment received by the disabled employee or ~~which that~~ had accrued during the lifetime of the employee unless there is a *surviving spouse surviving; in that event*. *If there is a surviving spouse*, the surviving spouse is entitled to the disability benefit for the calendar month in which the disabled employee died.

Sec. 6. Minnesota Statutes 1987 Supplement, section 352.113, subdivision 10, is amended to read:

Subd. 10. [EMPLOYEE AGAIN DISABLED AFTER RESUMING EMPLOYMENT.] If a disabled employee resumes gainful employment with the state and is not entitled to continued payment of a disability benefit as provided in subdivision 7, the right to a disability benefit ends when the employee has been employed for one year ~~thereafter~~. If the employee again becomes totally and permanently disabled before reaching age ~~65~~ 62, *the employee may again make an application for a disability benefit may again be made*. If the employee is entitled to a disability benefit, it must be computed ~~as provided in under~~ subdivision 9.

Sec. 7. Minnesota Statutes 1987 Supplement, section 352.113, subdivision 12, is amended to read:

Subd. 12. [RETIREMENT STATUS AT AGE ~~65~~ 62.] The disability benefit paid to a disabled employee under this section ends when the employee reaches age ~~65~~ 62. If the disabled employee is still totally and permanently disabled when the employee reaches age ~~65~~ 62, the employee ~~shall be~~ *is* considered to be a retired employee. If the employee had chosen an optional annuity under subdivision 3, the employee ~~shall receive~~ *is entitled to* an annuity in accordance with the terms of the optional annuity previously chosen. If the employee had not chosen an optional annuity ~~pursuant to under~~ subdivision 3, the employee may ~~then~~ choose to receive either a normal retirement annuity equal in amount to the disability benefit paid before the employee reached age ~~65~~ 62 or an optional annuity ~~as provided in under~~ section 352.116, subdivision 3. The choice of an optional annuity must be made before ~~reaching the employee reaches~~ age ~~65~~ 62. If an optional annuity is chosen, the choice is effective on the date the employee ~~becomes 65 years old reaches~~ age 62, and the optional annuity ~~shall begin~~ *begins* to accrue the first of the month following the month in which the employee attains ~~65~~ age 62.

Sec. 8. Minnesota Statutes 1987 Supplement, section 352.115, subdivision 2, is amended to read:

Subd. 2. [AVERAGE SALARY.] The retirement annuity ~~hereunder~~ *under this section* payable ~~at on or after age 65 or thereafter 62~~ must be computed in accordance with the ~~applicable provisions of the~~ formula stated in subdivision 3, on the basis of the employee's average salary for the period of allowable service. ~~This~~ The retirement annuity is known as the "normal" retirement annuity.

For each year of allowable service, the "average salary" of an employee in determining a retirement annuity means the average of the highest five successive years of salary upon which the employee has made contributions to the retirement fund by payroll deductions.

"Average salary" does not include the payment of accrued unused annual leave or overtime paid at time of final separation from state service if paid in a lump sum, nor does it include ~~the any~~ reduced salary, ~~if any,~~ paid ~~during the period while~~ the employee is entitled to workers' compensation benefit payments for temporary disability.

Sec. 9. Minnesota Statutes 1987 Supplement, section 352.116, subdivision 1, is amended to read:

Subdivision 1. [REDUCED ANNUITY BEFORE AGE ~~65~~ 62.] ~~Any~~ An employee who retires before age ~~65~~ 62 with credit for less than 30 years of allowable service ~~shall be paid~~ *is entitled to* the normal retirement annuity ~~provided in under~~ section 352.115, subdivisions 2 and 3, reduced so that the reduced annuity is the actuarial equivalent of the annuity that would be payable to the employee if the employee deferred receipt of the annuity from the day the annuity begins to accrue to age ~~65~~. ~~Any employee who retires prior to age 62 with credit for at least 30 years of allowable service shall be paid the normal retirement annuity provided in section 352.115, subdivisions 2 and 3, reduced so that the reduced annuity is the actuarial equivalent of the annuity that would be payable to the employee if the employee deferred receipt of the annuity from the day the annuity begins to accrue to age 62.~~

Sec. 10. Minnesota Statutes 1987 Supplement, section 352.72, subdivision 5, is amended to read:

Subd. 5. [EARLY RETIREMENT.] The requirements and provisions for retirement before age ~~65~~ 62 in sections 352.115, subdivision 1, and 352.116 also apply to an employee fulfilling the requirements with a combination of service as provided in subdivision 1.

Sec. 11. Minnesota Statutes 1987 Supplement, section 352.91, subdivision 3, is amended to read:

Subd. 3. [FARMING AND TEACHING.] (a) "Covered correctional service" includes service rendered before July 1, 1973, in a classification of farmer or farm manager by an employee employed in a covered correctional position on July 1, 1973. Services performed before July 1, 1974, in a classification defined in subdivisions 1, clauses (1) and (2), and 2 by an employee in a covered correctional position on or after July 1, 1974, are covered correctional service and apply to employees retiring after July 1, 1974.

(b) The portion of the retirement benefit payable to ~~any~~ a special teacher who was covered by the correctional plan under subdivision 2 and who retires after July 1, 1974, ~~which~~ is based on service rendered before July 1, 1974, if that service was covered by the state teachers retirement basic

formula, must be at least the benefit determined using the basic formula and ~~must~~ *may* never be less than the benefit that would have been payable on the service under the basic formula adjusted for the number of months the employee is under age 65 62 at date of retirement. *The benefit must be determined under chapter 354.*

Sec. 12. Minnesota Statutes 1987 Supplement, section 352.95, subdivision 5, is amended to read:

Subd. 5. [RETIREMENT STATUS AT AGE 65 62.] The disability benefit paid to a disabled correctional employee under this section ~~shall terminate~~ *terminates* at the end of the month in which the employee reaches age 62. If the disabled correctional employee is still disabled when the employee reaches age 62, the employee ~~shall be~~ *is* deemed to be a retired employee. If the employee had elected an optional annuity under subdivision 1a, the employee ~~shall receive~~ *is entitled* to an annuity in accordance with the terms of the optional annuity previously elected. If the employee had not elected an optional annuity under subdivision 1a, the employee may then either elect to receive a normal retirement annuity computed ~~in the manner provided in under~~ section 352.115 or elect to receive an optional annuity ~~as provided in under~~ section 352.116, subdivision 3, based on the same length of service as used in the calculation of the disability benefit. ~~Election of An employee must elect an optional annuity must be made before reaching~~ age 62. The reduction for *early* retirement ~~before age 65~~ as provided in section 352.116, subdivision 1, does not apply. The savings clause provision of section 352.93, subdivision 3, applies. If an optional annuity is elected, the optional annuity ~~shall begin~~ *begins* to accrue on the first of the month following the month in which the employee reaches age 62.

Sec. 13. Minnesota Statutes 1986, section 353.30, subdivision 1, is amended to read:

Subdivision 1. Upon separation from public service ~~any~~, a person who has attained ~~the at least age of at least 58 years but not more than 65 years~~ 55 and who has received credit for not less than 20 ten years of allowable service, or a person who has received credit for not less than 30 years of allowable service, is entitled upon application to a retirement annuity in an amount equal to the normal annuity provided in section 353.29, subdivisions 2 and 3, reduced by ~~one quarter of one percent for each month that the member is under age 65 at the time of retirement so that the reduced annuity is the actuarial equivalent of the annuity that would be payable to the person if the person deferred receipt of the annuity from the day the annuity begins to accrue to age 62.~~

Sec. 14. Minnesota Statutes 1987 Supplement, section 353.32, subdivision 1a, is amended to read:

Subd. 1a. [SURVIVING SPOUSE OPTIONAL ANNUITY.] If a member or former member who has attained ~~the at least age of at least 50 years~~ and who has credit for not less than five years of allowable service, or who has credit for not less than 30 years of allowable service, regardless of age attained, dies before the annuity or disability benefit has become payable, notwithstanding any designation of beneficiary to the contrary, the surviving spouse may elect to receive, ~~in lieu~~ *instead* of a refund with interest provided in subdivision 1, or survivor benefits otherwise payable ~~pursuant to under~~ section 353.31, an annuity equal to the 100 percent joint and survivor annuity ~~which~~ that the member could have qualified for had the member terminated service on the date of death. The surviving spouse may

apply for the annuity at any time after the date on which the deceased employee would have attained the required age for retirement based on the employee's allowable service. The annuity ~~shall~~ *must* be computed as ~~provided in~~ *under* sections 353.29, subdivisions 2 and 3; and 353.30, subdivisions 1, 1a, 1b and 1c. Sections 353.34, subdivision 3, and 353.71, subdivision 2, apply to a deferred annuity payable under this subdivision. No payment ~~shall~~ *may* accrue beyond the end of the month in which entitlement to the annuity has terminated. An amount equal to ~~the any~~ *any* excess, ~~if any,~~ of the accumulated contributions ~~which were~~ credited to the account of the deceased employee over and above the total of the annuities paid and payable to the surviving spouse ~~shall~~ *must* be paid to the deceased member's last designated beneficiary or, if none, to the legal representative of the estate of the deceased member. ~~Any~~ *A* member may specify in writing that this subdivision ~~shall~~ *does* not apply and that payment ~~shall~~ *may* be made only to the designated beneficiary, as otherwise provided by this chapter.

Sec. 15. Minnesota Statutes 1987 Supplement, section 353.33, subdivision 1, is amended to read:

Subdivision 1. [AGE, SERVICE AND SALARY REQUIREMENTS.] ~~Any~~ *A* member who becomes totally and permanently disabled before age ~~65~~ *62* and after five years of allowable service ~~shall~~ *be* entitled to a disability benefit ~~in an amount~~ provided in subdivision 3. If ~~such~~ *the* disabled person's public service has terminated at any time, at least three of the required five years of allowable service must have been rendered after last becoming a member. ~~Any~~ *A* member whose average salary is less than \$75 per a month ~~shall~~ *is* not be entitled to a disability benefit. No repayment of a refund otherwise authorized ~~pursuant to~~ *by* section 353.34 and no purchase of prior service or payment made ~~in lieu~~ *instead* of salary deductions otherwise authorized ~~pursuant to~~ *by* section 353.01, subdivision 16, 353.017, subdivision 4, or 353.36, subdivision 2, may be made after the occurrence of the disability for which an application ~~pursuant to~~ *under* this section is filed.

Sec. 16. Minnesota Statutes 1986, section 353.33, subdivision 3, is amended to read:

Subd. 3. [COMPUTATION OF BENEFITS.] ~~This~~ *The* disability benefit is an amount equal to the normal annuity payable to a member who has reached ~~65~~ *age 62* with the same number of years of allowable service and the same average salary, as provided in section 353.29, subdivisions 2 and 3. A "basic member" ~~shall~~ *receive* ~~is entitled~~ *in addition to* a supplementary monthly benefit computed in accordance with the following table:

Age when Disabled	Supplementary Benefit
Under 56	\$50
56	45
57	40
58	35
59	30
60	25
61	20

62	15
63	10
64	5

If the disability benefits provided in this subdivision exceed the average salary as defined in section 353.29, subdivision 2, the disability benefits shall *must* be reduced to an amount equal to ~~said~~ the average salary.

Sec. 17. Minnesota Statutes 1986, section 353.33, subdivision 11, is amended to read:

Subd. 11. [RETIEMENT STATUS AT AGE ~~65~~ 62.] No person shall be entitled to *may* receive disability benefits and a retirement annuity at the same time. The disability benefits paid to a person hereunder shall under this section terminate when the person reaches age ~~65~~ 62. If the person is still totally and permanently disabled when the person attains the age of ~~65 years~~ 62, the person shall be *is* deemed to be on retirement status and, if the person had elected an optional annuity pursuant to subdivision 3a, shall receive *the person is entitled to* an annuity in accordance with the terms of the optional annuity previously elected; ~~or~~. If the person had not elected an optional annuity pursuant to subdivision 3a, the person may at the option of the person either elect to receive either a normal retirement annuity as provided in under section 353.29 or a normal retirement annuity equal to the disability benefit paid before the person reached age ~~65~~ 62, whichever amount is greater, or elect to receive an optional annuity as provided in under section 353.30, subdivision 3. ~~Any~~ For a disabled person who becomes reaches age ~~65~~ shall have 62, the annuity *must* be computed in accordance with the law in effect upon attainment of when the person reached age ~~65~~ 62. Election of an optional annuity shall *must* be made prior to before the person attaining the attains age of ~~65 years~~ 62. If an optional annuity is elected, the election shall be *is* effective on the date on which the person attains the age of ~~65 years~~ 62, and the optional annuity shall begin begins to accrue on the first day of the month next following the month in which the person attains the age of ~~65 years~~ 62.

Sec. 18. Minnesota Statutes 1987 Supplement, section 353.34, subdivision 3, is amended to read:

Subd. 3. [DEFERRED ANNUITY; ELIGIBILITY; COMPUTATION.] ~~Any~~ A person with at least five years of allowable service when termination of public service occurs shall have the option of leaving *may leave* the accumulated deductions in the fund and thereby be entitled to a deferred retirement annuity commencing at age ~~65~~ 62 or for a deferred early retirement annuity pursuant to under section 353.30, subdivision 1, 1a, 1b or 1c. The deferred annuity shall *must* be computed in the manner provided in under section 353.29, subdivisions 2 and 3, on the basis of the law in effect on the date of termination of public service and shall *must* be augmented as provided in accordance with section 353.71, subdivision 2. ~~Any~~ A person qualified to apply for a deferred retirement annuity may revoke this option at any time prior to before the commencement of deferred annuity payments by making application for a refund. The person shall be *is* entitled to a refund of accumulated member contributions within 30 days following the date of receipt of on which the executive director receives the application by the executive director.

Sec. 19. Minnesota Statutes 1986, section 353.34, subdivision 3b, is amended to read:

Subd. 3b. [DEFERRED ANNUITY; CERTAIN FORMER MUNICIPAL COURT JUDGES.] ~~Any~~ A person who qualified for membership in the association solely because of service as a municipal court judge, whose service as a municipal court judge was terminated by Laws 1971, chapter 951, section 9, and who elected to leave accumulated deductions in the fund to qualify for a deferred annuity, may receive a deferred early retirement annuity under section 353.30, subdivision 1, ~~1a, 1b, or 1c,~~ notwithstanding the law in effect on the date of termination of public service.

Sec. 20. Minnesota Statutes 1986, section 353.71, subdivision 5, is amended to read:

Subd. 5. [EARLY RETIREMENT.] The requirements and provisions for retirement ~~prior to before~~ age ~~65 contained~~ 62 in section 353.30, ~~shall~~ also apply to a person fulfilling ~~such those~~ requirements with a combination of service ~~as provided in under~~ subdivision 1.

Sec. 21. Minnesota Statutes 1986, section 354.44, subdivision 7, is amended to read:

Subd. 7. [COMPUTATION OF FORMULA AND VARIABLE PROGRAM RETIREMENT ANNUITY.] The benefits provided in this subdivision are the sum of the benefits provided by the following:

(1) The benefits provided in subdivision 6, ~~clause (2) paragraph (b),~~ for formula service credit ~~prior to before~~ the effective date of the original election of this subdivision and subsequent to June 30, 1978, unless the member elects continued participation in the variable program ~~pursuant to under~~ section 354.621, and

(2) The benefits for service credit ~~subsequent to after~~ the effective date of the formula and variable program but ~~prior to before~~ July 1, 1978, and the benefits for service credit ~~subsequent to after~~ June 30, 1978, if the member elects continued participation in the variable program ~~pursuant to under~~ section 354.621, ~~shall be constitute~~ the average salary as defined in subdivision 6, ~~clause (1) paragraph (a),~~ of any a member, multiplied by the following percentages per year of formula service credit:

	Coordinated Member	Basic Member
Each year of service during first ten	5 .75 percent per year	1.0 percent per year
Each year of service thereafter after ten years	.75 percent per year	1.25 percent per year, and

(3) the benefits provided in section 354.62, subdivision 5.

Sec. 22. Minnesota Statutes 1986, section 354.46, subdivision 1, is amended to read:

Subdivision 1. [BASIC PROGRAM; BENEFITS FOR SPOUSE AND CHILDREN OF TEACHER.] If a basic member who has at least 18 months of allowable service credit and who has an average salary as defined in section 354.44, subdivision 6, equal to or greater than \$75 dies ~~prior to before~~ retirement or if a former basic member who, at the time of death, was totally and permanently disabled and receiving disability benefits pursuant to section 354.48 dies ~~prior to attaining the before~~ age of 65 years 62, the surviving dependent spouse and dependent children of the basic member or former basic member ~~shall be are~~ entitled to receive a monthly

benefit as follows:

- (a) Surviving dependent spouse 50 percent of the basic member's monthly average salary paid in the last full fiscal year preceding death
- (b) Each dependent child ten percent of the basic member's monthly average salary paid in the last full fiscal year preceding death

Payments for the benefit of ~~any~~ a dependent child under the age of 22 years shall ~~must~~ be made to the surviving parent, or, if there be none, to the legal guardian of the child. The maximum monthly benefit shall ~~may~~ not exceed \$1,000 for any one family, and the minimum benefit per family shall ~~may~~ not be less than 50 percent of the basic member's average salary, subject to the foregoing maximum. The surviving dependent spouse benefit shall ~~terminate~~ *terminates* upon remarriage, and the surviving dependent children's benefit shall ~~must~~ be reduced ~~pro tanto~~ *by that child's share* when ~~any~~ a surviving child is no longer dependent.

If the basic member and the surviving dependent spouse are killed in a common disaster and if the total of all survivors benefits payable ~~pursuant to~~ *under* this subdivision is less than the accumulated deductions plus interest payable, the surviving dependent children shall ~~receive~~ *are entitled to* the difference in a lump sum payment.

If the survivor benefits provided in this subdivision exceed in total the monthly average salary of the deceased basic member, these benefits shall ~~must~~ be reduced to an amount equal to the deceased basic member's monthly average salary.

~~Prior to~~ *Before* payment of ~~any~~ a survivor benefit ~~pursuant to~~ *under* this subdivision, ~~in lieu of that benefit,~~ the surviving dependent spouse may elect, ~~instead of the benefit,~~ to receive the joint and survivor annuity provided ~~pursuant to~~ *under* subdivision 27, or ~~may elect~~ to receive a refund of accumulated deductions with interest in a lump sum as provided ~~pursuant to~~ *sections in section* 354.47, subdivision 1, or 354.62, subdivision 5, clause (3). If there are any surviving dependent children, the surviving dependent spouse may elect to receive the refund of accumulated deductions only with the consent of the district court of the district in which the surviving dependent child or children reside.

Sec. 23. Minnesota Statutes 1987 Supplement, section 354.48, subdivision 3, is amended to read:

Subd. 3. [COMPUTATION OF BENEFITS.] (4) (a) The amount of the disability benefit granted to members covered under section 354.44, subdivision 2, clauses (1) and (2), is an amount equal to double the annuity ~~which that~~ could be purchased by the member's accumulated deductions plus interest on the amount computed as though the ~~teacher~~ *member* were age 65 62 at the time the benefit begins to accrue and in accordance with the law in effect when the disability application is received. ~~Any~~ *A* member who applies for a disability benefit after June 30, 1974, and who failed to make an election ~~pursuant to~~ *under* Minnesota Statutes 1971, section 354.145, shall ~~have the~~ *is entitled to* a disability benefit computed under this ~~clause~~

paragraph or ~~clause (2)~~ paragraph (b), whichever is larger.

The benefit granted ~~shall be~~ is determined by the following:

(a) (1) the amount of the accumulated deductions;

(b) (2) interest actually earned on these accumulated deductions to the date the benefit begins to accrue;

(c) (3) interest for the years from the date the benefit begins to accrue to the date the member attains age ~~65~~ 62 at the rate of three percent;

(d) (4) annuity purchase rates based on an appropriate annuity table of mortality established by the board as ~~provided in~~ under section 354.07, subdivision 1, and using the applicable postretirement interest rate assumption ~~specified~~ in section 356.215, subdivision 4d.

In addition, a supplementary monthly benefit ~~shall be paid~~ is payable to basic members only in accordance with the following table:

Age When Benefit Begins to Accrue	Supplementary Benefit
Under Age 56	\$50
56	45
57	40
58	35
59	30
60	25
61	20
62	15
63	10
64	5

(2) (b) The disability benefit granted to ~~members~~ a member covered ~~under~~ by section 354.44, subdivision 6 or 7 ~~shall~~, must be computed in the same manner as the annuity provided in accordance with the subdivision 6 or 7 of that section, whichever is applicable covers the member. The disability benefit ~~shall be~~ is the formula annuity without the reduction for each month the member is under age ~~65~~ 62 when the benefit begins to accrue.

(3) (c) For the purposes of computing a retirement annuity when the member becomes eligible, the amounts paid for disability benefits ~~shall~~ may not be deducted from the individual member's accumulated deductions. If the disability benefits provided in this subdivision exceed the monthly average salary of the disabled member, the disability benefits ~~shall~~ must be reduced to an amount equal to the disabled member's average salary.

Sec. 24. Minnesota Statutes 1986, section 354.48, subdivision 10, is amended to read:

Subd. 10. [RETIREMENT STATUS AT AGE ~~65~~ 62.] No person ~~shall~~ be entitled to may receive both a disability benefit and a retirement annuity provided by this chapter. The disability benefit paid to a person ~~hereunder~~ shall terminate terminates at the end of the month in which the person attains the age of 65 years 62. If the person is still totally and permanently disabled at the beginning of the month next following after the month in

which the person attains the age of 65 years 62, the person shall be is deemed to be on retirement status and, if the person had elected an optional annuity pursuant to under subdivision 3a, shall receive is entitled to an annuity in accordance with the terms of the optional annuity previously elected, or. If the person had not elected an optional annuity pursuant to under subdivision 3a, may at the option of the person may elect to receive either a straight life retirement annuity computed pursuant to under section 354.44 or a straight life retirement annuity equal to the disability benefit paid prior to before the date on which the person attained the age of 65 years 62, whichever amount is greater, or elect to receive an optional annuity as provided in under section 354.45, subdivision 1. Election of an optional annuity shall must be made prior to before the person attaining the attains age of 65 years 62. If an optional annuity is elected, the election shall be is effective on the date on which the person attains the age of 65 years 62, and the optional annuity shall begin begins to accrue on the first day of the month next following after the month in which the person attains the age of 65 years 62.

Sec. 25. Minnesota Statutes 1987 Supplement, section 354.49, subdivision 3, is amended to read:

Subd. 3. ~~Any~~ A person not covered by section 354.44, subdivision 6 or 7, who has attained the at least age of at least 65 62 with less than five years of credited allowable service shall be is entitled to receive a refund in an amount equal to the person's accumulated deductions plus interest in lieu instead of a proportionate annuity pursuant to under section 356.32 except those. A person covered under the provisions of by section 354.44, subdivision 6 or 7 in which case the, may elect a refund shall be in an amount equal to the accumulated deductions credited to the person's account as of June 30, 1957, and, after July 1, 1957, the accumulated deductions plus interest at the rate of five percent compounded annually.

Sec. 26. Minnesota Statutes 1987 Supplement, section 354.55, subdivision 11, is amended to read:

Subd. 11. [DEFERRED ANNUITY; AUGMENTATION.] ~~Any~~ A person covered under by section 354.44, subdivisions 6 and 7, who ceases to render teaching service may leave the person's accumulated deductions in the fund for the purpose of receiving a deferred annuity at retirement. Eligibility for an annuity under this subdivision shall be is governed pursuant to by section 354.44, subdivision 1, or 354.60.

The amount of the deferred retirement annuity shall be is determined by section 354.44, subdivisions 6 and 7, and augmented as provided in this subdivision. The required reserves related to that the portion of the annuity which that had accrued when the member ceased to render teaching service shall must be augmented by interest compounded annually from the first day of the month following the month during which the member ceased to render teaching service to the effective date of retirement. There shall may be no augmentation if this period is less than three months or if this period commences prior to before July 1, 1971. The rates of interest used for this purpose shall must be five percent commencing July 1, 1971, until January 1, 1981, and three percent thereafter afterward. If a person has more than one period of uninterrupted service, a separate average salary determined under section 354.44, subdivision 6, must be used for each period, and the required reserves related to each period shall must be augmented by interest pursuant to under this subdivision. The sum of the

augmented required reserves so determined shall be under this subdivision is the basis for purchasing the deferred annuity. If a person repays a refund, the service restored by the repayment must be considered as continuous with the next period of service for which the person has credit with this fund. If a person does not render teaching service in any one fiscal year or more consecutive fiscal years and then resumes teaching service, the formula percentages used from the date of the resumption of teaching service shall be those applicable to new members. The mortality table and interest assumption used to compute the annuity shall be the applicable mortality table established by the board under section 354.07, subdivision 1, and the interest rate assumption under section 356.215 in effect when the member retires. A period of uninterrupted service for the purposes of this subdivision means a period of covered teaching service during which the member has not been separated from active service for more than one fiscal year.

The provisions of this subdivision shall do not apply to variable account accumulations as defined in section 354.05, subdivision 23.

In no case shall may the annuity payable under this subdivision be less than the amount of annuity payable pursuant to under section 354.44, subdivisions 6 and 7.

The requirements and provisions for retirement before age 65 62 contained in section 354.44, subdivision 6, ~~clause (2)~~, shall paragraph (b), also apply to an employee fulfilling the requirements with a combination of service as provided in under section 354.60.

The augmentation provided by this subdivision applies to the benefit provided in section 354.46, subdivision 2.

The augmentation provided by this subdivision shall does not apply to any a period in which a person is on an approved leave of absence from an employer unit covered by the provisions of this chapter.

Sec. 27. Minnesota Statutes 1987 Supplement, section 354A.31, subdivision 6, is amended to read:

Subd. 6. [REDUCED RETIREMENT ANNUITY.] Upon retirement at an age prior to age 65 with five years of service credit or prior to before age 62 with at least 30 years of service credit, a coordinated member shall be is entitled to a retirement annuity in an amount equal to the normal retirement annuity reduced by one-half of one percent for each month that the coordinated member is under the age of 65 if the coordinated member has less than 30 years of service credit or is under the age of 62 if the coordinated member has at least 30 years of service credit but is over the age of 59, and reduced by one-fourth of one percent for each month that the coordinated member is under the age of 60 so that the reduced annuity is the actuarial equivalent of the annuity that would be payable to the member if the member deferred receipt of the annuity from the day the annuity begins to accrue to age 62.

Sec. 28. Minnesota Statutes 1986, section 354A.36, subdivision 3, is amended to read:

Subd. 3. [COMPUTATION OF DISABILITY BENEFIT.] The coordinated permanent disability benefit shall be is an amount equal to the normal coordinated retirement annuity computed pursuant to under section 354A.31, subdivision 4, based on allowable service credited to the date of disability

but without any reduction for the commencement of the benefit prior to before the attainment of age 65 or age 62 with at least 30 years of service credit as specified in section 354A.31, subdivision 6. The disabled coordinated member shall is not be entitled to elect an optional annuity form pursuant to under section 354A.32 prior to before attaining age 65 62 as provided in subdivision 10.

Sec. 29. Minnesota Statutes 1986, section 354A.36, subdivision 10, is amended to read:

Subd. 10. [RETIREMENT STATUS UPON ATTAINING AGE 65 62.] No person shall be is entitled to receive both a disability benefit under this section and a retirement annuity under section 354A.31. If a disability benefit recipient remains totally and permanently disabled upon attaining age 65 62, the disability benefit shall terminate terminates and the former disability benefit recipient shall be is deemed to be on retirement status. If the former disability benefit recipient had elected an optional annuity pursuant to under subdivision 3a, the recipient shall receive is entitled to an annuity in accordance with the terms of the optional annuity previously elected, or, if the recipient had not elected an optional annuity pursuant to under subdivision 3a, the recipient shall be is entitled either to receive a retirement annuity in an amount equal to the greater of either a single life retirement annuity calculated pursuant to under section 354A.31 or the disability benefit paid to the recipient immediately prior to before the recipient's attaining age 65 62 or to elect either a single life retirement annuity as provided in this section or an actuarial equivalent optional form retirement annuity as provided in section 354A.32. Election of an optional annuity shall must be made prior to before the person attaining the attains age of 65 years 62. If an optional annuity is elected, the election shall be is effective on the date on which the person attains the age of 65 years 62, and the optional annuity shall begin begins to accrue on the first day of the month next following after the month in which the person attains the age of 65 years 62.

Sec. 30. Minnesota Statutes 1986, section 354A.37, subdivision 4, is amended to read:

Subd. 4. [CERTAIN REFUNDS AT AGE 65 62.] Any A coordinated member who has attained the at least age of at least 65 62 with less than ten years of allowable service credit and has terminated active teaching service shall be is entitled to a refund in lieu instead of a proportionate annuity pursuant to under section 356.32. The refund shall must be equal to the coordinated member's accumulated employee contributions plus interest at the rate of five percent compounded annually.

Sec. 31. Minnesota Statutes 1986, section 356.32, subdivision 1, is amended to read:

Subdivision 1. [PROPORTIONATE RETIREMENT ANNUITY.] Notwithstanding any provision to the contrary of the laws governing any of the retirement funds referred to in subdivision 2, any a person who is an active member of any applicable a fund covered by this chapter, who has credit for at least one year but less than ten years of allowable service in one or more of the applicable funds, and who terminates active service pursuant to under a mandatory retirement law or policy or at age 65 62 or older for any reason shall be is entitled upon making written application on the form prescribed by executive director or executive secretary of the fund to a proportionate retirement annuity from each applicable fund in

which the person has allowable service credit. The proportionate annuity ~~shall~~ *must* be calculated under the ~~applicable~~ laws governing annuities in each fund, based upon allowable service credit at the time of retirement and the person's average salary for the highest five successive years of allowable service or the average salary for the entire period of allowable service if less than five years. Nothing in this section ~~shall prevent~~ *prevents* the imposition of the appropriate early retirement reduction of an annuity ~~which that commences prior to~~ *before* normal retirement age.

Sec. 32. [REPEALER.]

Minnesota Statutes 1986, section 353.30, subdivisions 1a and 1b, are repealed. Minnesota Statutes 1987 Supplement, section 353.30, subdivision 1c, is repealed.

Sec. 33. [EFFECTIVE DATE.]

Sections 1 to 32 are effective July 1, 1989."

Delete the title and insert:

"A bill for an act relating to retirement; certain public retirement systems; setting age 62 as the normal retirement age; providing for actuarial reduction of benefits for early retirement; changing the retirement annuity formula; amending Minnesota Statutes 1986, sections 353.29, subdivision 3; 353.30, subdivision 1; 353.33, subdivisions 3 and 11; 353.34, subdivision 3b; 353.71, subdivision 5; 354.44, subdivisions 6 and 7; 354.46, subdivision 1; 354.48, subdivision 10; 354A.31, subdivision 4; 354A.36, subdivisions 3 and 10; 354A.37, subdivision 4; and 356.32, subdivision 1; Minnesota Statutes 1987 Supplement, sections 352.01, subdivisions 2b and 19; 352.113, subdivisions 1, 3, 4, 10, and 12; 352.115, subdivisions 2 and 3; 352.116, subdivisions 1 and 2; 352.72, subdivision 5; 352.91, subdivision 3; 352.95, subdivision 5; 353.29, subdivision 1; 353.32, subdivision 1a; 353.33, subdivision 1; 353.34, subdivision 3; 354.48, subdivision 3; 354.49, subdivision 3; 354.55, subdivision 11; and 354A.31, subdivisions 5 and 6; proposing coding for new law in Minnesota Statutes, chapter 356; repealing Minnesota Statutes 1986, section 353.30, subdivisions 1a and 1b; and Minnesota Statutes 1987 Supplement, section 353.30, subdivision 1c."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 2279: A bill for an act relating to courts; prescribing when a referee's orders become effective; amending Minnesota Statutes 1986, section 484.70, subdivision 7.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 2400: A bill for an act relating to crimes; repealing the prohibition against the sale of articles relating to prevention of conception or disease; repealing Minnesota Statutes 1986, section 617.251.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 2245: A bill for an act relating to health; limiting reporting requirements for epidemiologic studies; providing grants for AIDS evaluation and counseling; providing fines for rule violations; creating an environmental health fee account; increasing fees for restaurant, hotel, and resort licenses; appropriating money; amending Minnesota Statutes 1986, section 144.053, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapters 145 and 157.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 15, delete "*Notwithstanding any rule to the contrary,*"

Pages 2 and 3, delete sections 4 to 7

Page 3, line 29, delete the first comma and insert "*and*" and delete "*4, 5, and 6*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, delete everything after the semicolon

Page 1, delete lines 5 and 6

Page 1, line 7, delete everything before "*amending*"

Page 1, line 10, delete "*chapters*" and insert "*chapter*" and delete "*and 157*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 1658: A bill for an act relating to hospitals; requiring prompt payment; establishing rates for small hospitals; requiring interim payments to hospitals; amending Minnesota Statutes 1986, sections 16A.124, subdivision 4, and by adding a subdivision; and 256.969, by adding a subdivision; and Minnesota Statutes 1987 Supplement, section 256.969, subdivision 3.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1987 Supplement, section 256.969, subdivision 3, is amended to read:

Subd. 3. [SPECIAL CONSIDERATIONS.] (a) In determining the rate the commissioner of human services will take into consideration whether the following circumstances exist:

(1) minimal medical assistance and general assistance medical care utilization;

(2) unusual length of stay experience; and

(3) disproportionate numbers of low-income patients served.

(b) To the extent of available appropriations, the commissioner shall provide supplemental grants directly to a hospital described in section 256B.031, subdivision 10, paragraph (a), that receives medical assistance payments through a county-managed health plan that serves only residents of the county. The payments must be designed to compensate for actuarially demonstrated higher health care costs within the county, for the population served by the plan, that are not reflected in the plan's rates under section 256B.031, subdivision 4.

(c) *The commissioner shall establish procedures to analyze and correct problems associated with hospital inpatient and outpatient claims preparation and processing. At a minimum, the commissioner shall:*

(1) *designate a full-time equivalent position as a liaison between the department of human services and hospitals;*

(2) *analyze impediments to timely processing of claims, provide information and consultation to hospitals, and develop methods to resolve or reduce problems;*

(3) *provide to each hospital a quarterly listing of claims received and identify those claims that have been suspended and the reason the claims were suspended;*

(4) *provide education and information on reasons for rejecting and suspending claims and identify methods that would avoid multiple submissions of claims; and*

(5) *identify and prioritize claims that are in jeopardy of exceeding time factors that eliminate payment.*

(d) *For inpatient hospital originally paid admissions, excluding Medicare cross-overs, provided from July 1, 1988, through June 30, 1989, hospitals with 100 or fewer medical assistance annualized paid admissions, excluding Medicare cross-overs, that were paid by March 1, 1988, for admissions paid during the period January 1, 1987, to June 30, 1987, shall have medical assistance inpatient payments increased percent. Hospitals with more than 100 but fewer than 250 medical assistance annualized paid admissions, excluding Medicare cross-overs, that were paid by March 1, 1988, for admissions paid during the period January 1, 1987, to June 30, 1987, shall have medical assistance inpatient payments increased percent for inpatient hospital originally paid admissions, excluding Medicare cross-overs, provided from July 1, 1988, through June 30, 1989. This provision applies only to hospitals that have 100 or fewer licensed beds on July 1, 1988.*

Sec. 2. [REVIEW OF SMALL HOSPITAL RATES.]

The commissioner shall, in conjunction with hospitals, review the adequacy of reimbursement for catastrophic cases for hospitals described in section 1, paragraph (d), in light of changes in case mix from the base year.

Sec. 3. [STUDY OF RURAL HOSPITALS.]

The commissioner of health shall study the rural hospital system in the state and report to the legislature by February 1, 1989, with a description of the financial condition of rural hospitals, including the identification of regions in the state where the closing of a financially distressed hospital

will result in access problems for rural residents.

Sec. 4. [APPROPRIATION.]

§ is appropriated from the general fund to the commissioner of human services to implement the provisions of section 1."

Delete the title and insert:

"A bill for an act relating to hospitals; requiring commissioner to analyze claims; increasing payment rates for small hospitals; requiring a study of rural hospitals; appropriating money; amending Minnesota Statutes 1987 Supplement, section 256.969, subdivision 3."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Rule 35, together with the committee report thereon,

S.F. No. 335: A bill for an act relating to occupations and professions; authorizing physical therapy treatment without referral by a physician; prohibiting certain business relationships in the practice of physical therapy; amending Minnesota Statutes 1986, sections 148.75 and 148.76, subdivision 2.

Reports the same back with the recommendation that the report from the Committee on Health and Human Services, shown in the Journal for March 7, 1988, be adopted; that committee recommendation being:

"the bill be amended and when so amended the bill do pass". Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Rule 35, together with the committee report thereon,

S.F. No. 1783: A bill for an act relating to motor vehicles; requiring mandatory annual inspection of motor vehicle emission control equipment on vehicles registered in the metropolitan area; prescribing powers and duties of the pollution control agency and the department of public safety; imposing fees for inspection; prescribing penalties; requiring that gasoline sold in the metropolitan area for use in motor vehicles must contain oxygenated fuel; requiring the commissioners of agriculture, transportation, pollution control agency, and public service to recommend an oxygenated fuel to the legislature; appropriating money; amending Minnesota Statutes 1986, section 296.16, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 116.

Reports the same back with the recommendation that the report from the Committee on Environment and Natural Resources, shown in the Journal for March 9, 1988, be adopted; that committee recommendation being:

"the bill be amended and when so amended the bill do pass and be re-referred to the Committee on Agriculture". Amendments adopted. Report adopted.

Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1940 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1940		1801			

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1806 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1806		1784			

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1806 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1806 and insert the language after the enacting clause of S.F. No. 1784, the first engrossment; further, delete the title of H.F. No. 1806 and insert the title of S.F. No. 1784, the first engrossment.

And when so amended H.F. No. 1806 will be identical to S.F. No. 1784, and further recommends that H.F. No. 1806 be given its second reading and substituted for S.F. No. 1784, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1817 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1817		1698			

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1817 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1817 and insert the language after the enacting clause of S.F. No. 1698, the first engrossment; further, delete the title of H.F. No. 1817 and insert the title of S.F. No. 1698, the first engrossment.

And when so amended H.F. No. 1817 will be identical to S.F. No. 1698, and further recommends that H.F. No. 1817 be given its second reading and substituted for S.F. No. 1698, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1912 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1912	2216				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1912 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1912 and insert the language after the enacting clause of S.F. No. 2216, the first engrossment; further, delete the title of H.F. No. 1912 and insert the title of S.F. No. 2216, the first engrossment.

And when so amended H.F. No. 1912 will be identical to S.F. No. 2216, and further recommends that H.F. No. 1912 be given its second reading and substituted for S.F. No. 2216, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 2279, 2400, 2245 and 335 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 1940, 1806, 1817 and 1912 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Davis moved that the name of Mr. Morse be added as a co-author to S.F. No. 655. The motion prevailed.

Mr. Stumpf moved that the name of Mrs. McQuaid be added as a co-author to S.F. No. 2234. The motion prevailed.

Mr. Beckman moved that the name of Ms. Piper be added as a co-author to S.F. No. 2496. The motion prevailed.

Mr. Solon moved that the name of Mr. Lessard be added as a co-author to S.F. No. 2498. The motion prevailed.

Mr. Frederickson, D.J. moved that the names of Mr. Vickerman and Mrs. Adkins be added as co-authors to S.F. No. 2505. The motion prevailed.

Mr. Bertram introduced—

Senate Resolution No. 123: A Senate resolution commending the Assumption Nursing Home, Cold Spring, Minnesota, for 25 years as a skilled care facility.

Referred to the Committee on Rules and Administration.

Mr. Marty moved that the name of Ms. Piper be added as a co-author to S.F. No. 2054. The motion prevailed.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

Ms. Berglin introduced—

S.F. No. 2525: A resolution memorializing the President and Congress of the United States to enact a program of national health insurance.

Referred to the Committee on Health and Human Services.

Messrs. Merriam and Dahl introduced—

S.F. No. 2526: A bill for an act relating to taxation; designating a medical enterprise park opportunity zone in the city of Coon Rapids; providing tax benefits for the zone; appropriating money.

Referred to the Committee on Economic Development and Housing.

Mr. Moe, D.M. introduced—

S.F. No. 2527: A bill for an act relating to retirement; St. Paul teachers retirement fund association; approving a bylaw amendment implementing five-year vesting for certain benefits.

Referred to the Committee on Governmental Operations.

Messrs. Vickerman; Frederickson, D.J.; Davis and Beckman introduced—

S.F. No. 2528: A resolution memorializing the President to immediately direct the Secretary of Agriculture to halt the forced movement of Farmer-Owned Reserve grains to commercial warehouses.

Referred to the Committee on Agriculture.

Mr. Cohen introduced—

S.F. No. 2529: A bill for an act relating to crime; imposing criminal penalties on persons who sign certain documents with a false or fictitious name; amending Minnesota Statutes 1986, section 171.22.

Referred to the Committee on Judiciary.

Messrs. Peterson, R. W. and Dicklich introduced—

S.F. No. 2530: A bill for an act relating to capital improvements; authorizing spending to better public land and buildings and other public improvements of a capital nature; authorizing issuance of state bonds; appropriating money.

Referred to the Committee on Finance.

Mr. Renneke introduced—

S.F. No. 2531: A bill for an act relating to state lands; permitting the sale of certain tax-forfeited lands that border public waters in McLeod county.

Referred to the Committee on Environment and Natural Resources.

Messrs. Kroening, Waldorf, Belanger, Samuelson and Frank introduced—

S.F. No. 2532: A bill for an act relating to taxation; income; providing a pension exclusion; repealing the credit for elderly and disabled persons; amending Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19b; proposing coding for new law in Minnesota Statutes, chapter 290; repealing Minnesota Statutes 1987 Supplement, section 290.06, subdivision 20.

Referred to the Committee on Taxes and Tax Laws.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Thursday, March 17, 1988. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

SEVENTIETH DAY

St. Paul, Minnesota, Wednesday, March 16, 1988

The House of Representatives met on Wednesday, March 16, 1988, which was the Seventieth Legislative Day of the Seventy-Fifth Session of the Minnesota State Legislature. The Senate did not meet on this date.

SEVENTY-FIRST DAY

St. Paul, Minnesota, Thursday, March 17, 1988

The Senate met at 2:00 p.m. and was called to order by the President.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. James D. Gorman.

The roll was called, and the following Senators answered to their names:

Adkins	Dahl	Johnson, D.E.	McQuaid	Purfeerst
Anderson	Davis	Johnson, D.J.	Mehrkens	Ramstad
Beckman	Decker	Jude	Merriam	Reichgott
Belanger	DeCramer	Knaak	Metzen	Renneke
Benson	Dicklich	Knutson	Moe, R.D.	Samuelson
Berg	Diessner	Kroening	Morse	Schmitz
Berglin	Frank	Laidig	Olson	Solon
Bernhagen	Frederick	Langseth	Pehler	Spear
Bertram	Frederickson, D.J.	Lantry	Peterson, D.C.	Storm
Brandl	Frederickson, D.R.	Larson	Peterson, R.W.	Stumpf
Brataas	Freeman	Lessard	Piper	Vickerman
Chmielewski	Gustafson	Luther	Pogemiller	Waldorf
Cohen	Hughes	Marty		Wegscheid

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

MEMBERS EXCUSED

Messrs. Novak and Taylor were excused from the Session of today. Mrs. Brataas was excused from the Session of today from 2:00 to 2:30 p.m.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 2120, 2331, 2558, 2559, 2615, 2029, 1950, 1966, 2025, 2036, 258, 1486, 1534, 2246, 2063, 2092, 718, 1656, 2018 and 2340.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 16, 1988

FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H.F. No. 2120: A bill for an act relating to public meetings; authorizing the governing board of a joint vocational technical district to establish meeting sites; amending Minnesota Statutes 1986, section 136C.61, by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1859, now on General Orders.

H.F. No. 2331: A bill for an act relating to elections; establishing hours when polls will remain open for election to change county seat; amending Minnesota Statutes 1986, section 372.07.

Referred to the Committee on Elections and Ethics.

H.F. No. 2558: A bill for an act relating to elections; requiring optical scan voting systems to be tested within 14 days before election; amending Minnesota Statutes 1986, section 206.83.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2224, now on the Consent Calendar.

H.F. No. 2559: A bill for an act relating to commerce; regulating sales and repair of hearing aids; amending Minnesota Statutes 1986, section 145.43, subdivision 1a, and by adding a subdivision; Minnesota Statutes 1987 Supplement, section 145.43, subdivision 4.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2288, now on General Orders.

H.F. No. 2615: A bill for an act relating to health; providing for a temporary license for freestanding 24-hour emergency medical centers until permanent rules are adopted.

Referred to the Committee on Health and Human Services.

H.F. No. 2029: A bill for an act relating to education; modifying provisions related to general education revenue and foundation revenue; correcting erroneous and obsolete references and text; providing instructions to the revisor; making miscellaneous corrections to statutes and other laws; amending Minnesota Statutes 1986, sections 3.866; 120.17, subdivisions 6 and 7; 120.181; 120.80, subdivision 1; 121.151; 121.904, subdivision 5; 121.931, subdivision 5; 122.45, subdivision 3a; 122.531, subdivisions 1 and 6; 123.32, subdivision 29; 123.3514, subdivision 6; 123.933, subdivision 3; 124.15, subdivisions 5 and 6; 124.18, subdivision 2; 124.19, subdivisions 1, 3, and 6; 124.274, subdivision 1; 124.32, subdivisions 4 and 6; 124A.02, subdivision 21; 124A.03, subdivision 2; 124A.034, subdivisions 1 and 1b; 124A.035, subdivisions 2 and 4; 124A.036, subdivisions 1 and 2; 126.70, subdivision 2; 129B.40, subdivision 1; 273.138, subdivision 6; 275.125, subdivision 1; 275.128; 298.39; and 475.61, subdivision 4; Minnesota Statutes 1987 Supplement, sections 120.17, subdivisions 5a and 7a; 121.912, subdivision 1; 123.3515, subdivision 9; 124.01, subdivisions 1; 124.14, subdivision 7; 124.155, subdivision 2; 124.17, subdivisions 1 and 1b; 124.195, subdivisions 8 and 9; 124.217, subdivision 1; 124.223; 124.225, subdivisions 1 and 4b; 124.245, subdivision 3b; 124.271, subdivision 7; 124.2711, subdivision 1; 124.32, subdivisions 1c, 1d, and 5; 124A.02, subdivisions 8 and 16; 124A.032; 124A.035, subdivision 5;

124A.22, subdivision 1, and by adding subdivisions; 124A.23, subdivisions 2, 3, 4, and by adding a subdivision; 124A.24; 124A.26, subdivision 2; 124A.27, subdivisions 7 and 10; 124A.30; 126.23; 126.661, subdivision 1; 126.666, subdivision 1; 126.70, subdivision 2a; 129B.39; 129B.55, subdivision 2; 136D.27; 136D.74, subdivision 2; 136D.87; 275.125, subdivisions 5e, 6e, 8c, 9, 9b, and 15; and 298.28, subdivision 4; Laws 1987, chapter 398, article 1, section 25, subdivision 3; article 1, section 26, subdivision 2; article 7, section 40, subdivision 4; article 8, section 39, subdivision 2; and article 8, section 44, subdivision 5; repealing Minnesota Statutes 1986, sections 121.904, subdivision 7; 122.531, subdivision 8; 124.245, subdivision 4; and 124A.031, subdivision 3; Minnesota Statutes 1987 Supplement, sections 121.904, subdivision 11b; 124A.02, subdivision 5a; 124A.03, subdivision 3a; and 124A.25.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1911, now on General Orders.

H.F. No. 1950: A bill for an act relating to watershed districts; setting the limit on certain borrowing authority; amending Minnesota Statutes 1987 Supplement, sections 112.43, subdivision 1; and 112.65, subdivision 2.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1897, now on General Orders.

H.F. No. 1966: A bill for an act relating to zoning; providing for filing requirements of variances and certain official maps to real property; amending Minnesota Statutes 1986, section 462.36, subdivision 1.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2177, now on General Orders.

H.F. No. 2025: A bill for an act relating to state lands; authorizing private sale of tax-forfeited land in St. Louis county.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1982, now on General Orders.

H.F. No. 2036: A bill for an act relating to crimes; prohibiting possession of fireworks; increasing penalties for selling or possessing certain quantities of fireworks; providing penalties; amending Minnesota Statutes 1986, sections 624.21; 624.23; and 624.25.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1934.

H.F. No. 258: A bill for an act relating to retirement; increasing the retirement formula for covered correctional service; amending Minnesota Statutes 1987 Supplement, section 352.93, subdivision 2.

Referred to the Committee on Governmental Operations.

H.F. No. 1486: A bill for an act relating to railroads; providing reporting and disclosure requirements for railroad acquisitions; preserving contracts between acquiring railroad carriers and shippers and governmental entities; proposing coding for new law in Minnesota Statutes, chapter 222.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1442, now on General Orders.

H.F. No. 1534: A bill for an act relating to education; changing licensing requirements for registered barbers and registered apprentice barbers; amending Minnesota Statutes 1986, sections 154.05; 154.07; 154.09; and

154.18.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1469.

H.F. No. 2246: A bill for an act relating to economic development; extending various development programs to nonprofit organizations.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2405.

H.F. No. 2063: A bill for an act relating to housing; providing a definition; authorizing certain refinancing; providing for reservation of low-income housing credits; amending Minnesota Statutes 1986, sections 462A.03, by adding a subdivision; 462A.05, by adding a subdivision; and 462A.07, subdivisions 14 and 15; Minnesota Statutes 1987 Supplement, section 462A.222, subdivision 2.

Referred to the Committee on Taxes and Tax Laws.

H.F. No. 2092: A bill for an act relating to environment; authorizing sanitary districts to apply for and receive assistance from the waste management board for certain solid waste programs; amending Minnesota Statutes 1986, section 115A.50; and Minnesota Statutes 1987 Supplement, section 115A.49.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1952, now on General Orders.

H.F. No. 718: A bill for an act relating to public employees; defining terms and conditions of public employment; allowing expanded payment of certain accumulated sick leave; amending Minnesota Statutes 1986, sections 179A.03, subdivision 19; and 465.72, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 465.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 970.

H.F. No. 1656: A bill for an act relating to traffic regulations; permitting county and city attorneys to provide certain services; providing for allocation of civil fines for motor vehicle maximum weight violations; amending Minnesota Statutes 1986, section 169.871, subdivisions 3 and 5.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1517.

H.F. No. 2018: A bill for an act relating to agriculture; clarifying and imposing penalties for violations related to diseased animals under the jurisdiction of the board of animal health; authorizing inspection upon notice; authorizing enforcement of violations; authorizing civil judicial enforcement actions; authorizing administrative remedies for violations; imposing civil and criminal penalties; amending Minnesota Statutes 1986, sections 35.245, subdivision 5; 35.80; 35.82, subdivision 2; and 35.830; Minnesota Statutes 1987 Supplement, section 35.68; proposing coding for new law in Minnesota Statutes, chapter 35; repealing Minnesota Statutes 1986, sections 35.069; 35.15, subdivision 2; 35.70; 35.71, subdivision 8; and 35.72, subdivision 6.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1786, now on General Orders.

H.F. No. 2340: A bill for an act relating to crime; law enforcement;

requiring the reporting of crimes motivated by bias; requiring the peace officer standards and training board to mandate preservice training for peace officers in recognizing, responding to, and reporting crimes of bias; requiring the board to make similar instructional materials available to peace officers for continuing education credit; proposing coding for new law in Minnesota Statutes, chapter 626.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2124.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of reports pertaining to appointments and the report on S.F. No. 1517. The motion prevailed.

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

H.F. No. 1766: A bill for an act relating to local government; making explicit the power of towns to take certain action at a special meeting; amending Minnesota Statutes 1986, section 477A.018, subdivision 1.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

H.F. No. 1926: A bill for an act relating to emergency services; permitting political subdivisions to authorize aid under certain conditions; amending Minnesota Statutes 1986, section 12.27, by adding a subdivision.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 1769: A bill for an act relating to human rights; clarifying marital status discrimination and housing discrimination; enforcing comparable worth and affirmative action requirements; making procedural and administrative changes; amending Minnesota Statutes 1986, sections 363.01, by adding a subdivision; 363.02, subdivisions 2, 2a, and by adding a subdivision; 363.03, subdivision 2; 363.06, subdivision 3; 363.073, subdivisions 1 and 3; 363.074; 363.091; and 363.14, subdivisions 1 and 3; Minnesota Statutes 1987 Supplement, sections 363.03, subdivision 1; 363.06, subdivision 1; and 363.071, subdivision 2.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 363.01, is amended by adding a subdivision to read:

Subd. 40. [MARITAL STATUS.] "Marital status" means whether a person is single, married, divorced, separated, or a surviving spouse and, in employment cases, includes protection against discrimination on the

basis of the identity, situation, actions, or beliefs of a spouse or former spouse.

Sec. 2. Minnesota Statutes 1986, section 363.02, subdivision 2a, is amended to read:

Subd. 2a. [MANUFACTURED HOME PARKS.] The provisions of subdivision 2, prohibiting discrimination because of familial status:

(1) do not apply to a manufactured home park the majority of whose lots are reserved by park rule to households containing at least one elderly person; and

(2) do not apply to a section or sections of a manufactured home park which are identified by park rule and do not comprise more than one-third of the lots in the park. *In order to qualify for exemption under this subdivision does not allow, a park owner to avoid complying must comply with section 327C.02, subdivision 2, 327C.05 or 327C.07, subdivision 4 when adopting or amending a rule concerning the permitted familial status of residents or of buyers of homes offered for in park sale.*

Sec. 3. Minnesota Statutes 1986, section 363.02, is amended by adding a subdivision to read:

Subd. 2b. [EVICITION DUE TO FAMILIAL STATUS.] The provisions of section 363.03, subdivision 2, prohibiting discrimination because of familial status, do not apply to eviction from, or denial of continuing tenancy in, dwelling units exempt through certification under this section, provided that (1) one year has elapsed from the commencement of the familial status and (2) six months prior written notice has been given to the tenant, unless the eviction or denial of continuing tenancy is for non-payment of rent, damage to the premises, disturbance of other tenants, or other breach of the lease.

Sec. 4. Minnesota Statutes 1986, section 363.03, subdivision 2, is amended to read:

Subd. 2. [REAL PROPERTY.] It is an unfair discriminatory practice:

(1) For an owner, lessee, sublessee, assignee, or managing agent of, or other person having the right to sell, rent or lease any real property, or any agent of any of these:

(a) to refuse to sell, rent, or lease or otherwise deny to or withhold from any person or group of persons any real property because of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, or familial status; or

(b) to discriminate against any person or group of persons because of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, or familial status in the terms, conditions or privileges of the sale, rental or lease of any real property or in the furnishing of facilities or services in connection therewith, except that nothing in this clause shall be construed to prohibit the adoption of reasonable rules intended to protect the safety of minors in their use of the real property or any facilities or services furnished in connection therewith; or

(c) in any transaction involving real property, to print, circulate or post or cause to be printed, circulated, or posted any advertisement or sign, or use any form of application for the purchase, rental or lease of real property,

or make any record or inquiry in connection with the prospective purchase, rental, or lease of real property which expresses, directly or indirectly, any limitation, specification, or discrimination as to race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, or familial status, or any intent to make any such limitation, specification, or discrimination except that nothing in this clause shall be construed to prohibit the advertisement of a dwelling unit as available to adults-only if the person placing the advertisement reasonably believes that the provisions of this subdivision prohibiting discrimination because of familial status do not apply to the dwelling unit.

(2) For a real estate broker, real estate salesperson, or employee, or agent thereof:

(a) to refuse to sell, rent, or lease or to offer for sale, rental, or lease any real property to any person or group of persons or to negotiate for the sale, rental, or lease of any real property to any person or group of persons because of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, or familial status or represent that real property is not available for inspection, sale, rental, or lease when in fact it is so available, or otherwise deny or withhold any real property or any facilities of real property to or from any person or group of persons because of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, or familial status; or

(b) to discriminate against any person because of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, or familial status in the terms, conditions or privileges of the sale, rental or lease of real property or in the furnishing of facilities or services in connection therewith; or

(c) to print, circulate, or post or cause to be printed, circulated, or posted any advertisement or sign, or use any form of application for the purchase, rental, or lease of any real property or make any record or inquiry in connection with the prospective purchase, rental or lease of any real property, which expresses directly or indirectly, any limitation, specification or discrimination as to race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, or familial status or any intent to make any such limitation, specification or discrimination except that nothing in this clause shall be construed to prohibit the advertisement of a dwelling unit as available to adults-only if the person placing the advertisement reasonably believes that the provisions of this subdivision prohibiting discrimination because of familial status do not apply to the dwelling unit.

(3) For a person, bank, banking organization, mortgage company, insurance company, or other financial institution or lender to whom application is made for financial assistance for the purchase, lease, acquisition, construction, rehabilitation, repair or maintenance of any real property or any agent or employee thereof:

(a) to discriminate against any person or group of persons because of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, or familial status of the person or group of persons or of the prospective occupants or tenants of the real property in the granting, withholding, extending, modifying or renewing, or in the rates, terms, conditions, or privileges of the financial assistance

or in the extension of services in connection therewith; or

(b) to use any form of application for the financial assistance or make any record or inquiry in connection with applications for the financial assistance which expresses, directly or indirectly, any limitation, specification, or discrimination as to race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, or familial status or any intent to make any such limitation, specification, or discrimination; or

(c) to discriminate against any person or group of persons who desire to purchase, lease, acquire, construct, rehabilitate, repair or maintain real property in a specific urban or rural area or any part thereof solely because of the social, economic or environmental conditions of the area in the granting, withholding, extending, modifying, or renewing, or in the rates, terms, conditions, or privileges of the financial assistance or in the extension of services in connection therewith.

(4) For any real estate broker or real estate salesperson, for the purpose of inducing a real property transaction from which the person, the person's firm, or any of its members may benefit financially, to represent that a change has occurred or will or may occur in the composition with respect to race, creed, color, national origin, sex, marital status, status with regard to public assistance, or disability of the owners or occupants in the block, neighborhood, or area in which the real property is located, and to represent, directly or indirectly, that this change will or may result in undesirable consequences in the block, neighborhood, or area in which the real property is located, including but not limited to the lowering of property values, an increase in criminal or antisocial behavior, or a decline in the quality of schools or other public facilities.

(5) For a person to deny a totally or partially blind or deaf person with a service dog full and equal access to real property provided for in this section. The person may not be required to pay extra compensation for the service dog but is liable for damage done to the premises by the service dog.

(5) Notwithstanding the provisions of any law, ordinance, or home rule charter to the contrary, no person shall be deemed to have committed an unfair discriminatory practice based upon age if the unfair discriminatory practice alleged is attempted or accomplished for the purpose of obtaining or maintaining one of the exemptions provided for a dwelling unit provided for in section 363.02, subdivision 2.

Sec. 5. Minnesota Statutes 1987 Supplement, section 363.06, subdivision 1, is amended to read:

Subdivision 1. [ACTIONS.] Any person aggrieved by a violation of this chapter may bring a civil action as provided in section 363.14, subdivision 1, clause (a), or may file a verified charge with the commissioner or the commissioner's designated agent. A charge filed with the commissioner must be in writing on a form provided by the commissioner and signed by the charging party. The charge must state the name of the person alleged to have committed an unfair discriminatory practice, and set out a summary of the details of the practice complained of. The commissioner may require a charging party to provide the address of the person alleged to have committed the unfair discriminatory practice, names of witnesses, documents, and any other information necessary to process the charge. The

commissioner may dismiss a charge when the charging party fails to provide required information. The commissioner within ten days of the filing shall serve a copy of the charge and a form for use in responding to the charge upon the respondent personally or by mail. The respondent shall file with the department a written response to the charge within 20 days of receipt of the charge. *If the respondent fails to respond within 30 days after service of the charge, and service was consistent with rule 4 of the rules of civil procedure, the commissioner, on behalf of the complaining party, may bring an action for default in district court pursuant to rule 55.01 of the rules of civil procedure.*

Sec. 6. Minnesota Statutes 1986, section 363.06, subdivision 3, is amended to read:

Subd. 3. [TIME FOR FILING CLAIM.] A claim of an unfair discriminatory practice must be brought as a civil action pursuant to section 363.14, subdivision 1, clause (a), filed in a charge with a local commission pursuant to section 363.116, or filed in a charge with the commissioner within ~~300 days~~ *one year* after the occurrence of the practice. The running of the ~~300 day~~ *one-year* limitation period is suspended during the time a potential charging party and respondent are voluntarily engaged in a dispute resolution process involving a claim of unlawful discrimination under chapter 363, including arbitration, conciliation, mediation or grievance procedures pursuant to a collective bargaining agreement or statutory, charter, or ordinance provisions for a civil service or other employment system. A potential respondent who participates in such a process with a potential charging party before a charge is filed or a civil action is brought shall notify the department and the charging party in writing of the participation in the process and the date the process commenced, and shall also notify the department and the charging party of the ending date of the process. A respondent who fails to provide this notification is barred from raising the defense that the statute of limitations has run unless ~~the 300 days~~ *one year* plus a period of time equal to the suspension period has passed.

Sec. 7. Minnesota Statutes 1987 Supplement, section 363.071, subdivision 2, is amended to read:

Subd. 2. [DETERMINATION OF DISCRIMINATORY PRACTICE.] The administrative law judge shall make findings of fact and conclusions of law, and if the administrative law judge finds that the respondent has engaged in an unfair discriminatory practice, the administrative law judge shall issue an order directing the respondent to cease and desist from the unfair discriminatory practice found to exist and to take such affirmative action as in the judgment of the administrative law judge will effectuate the purposes of this chapter. The order shall be a final decision of the department. The administrative law judge shall order any respondent found to be in violation of any provision of section 363.03 to pay a civil penalty to the state. This penalty is in addition to compensatory and punitive damages to be paid to an aggrieved party. The administrative law judge shall determine the amount of the civil penalty to be paid, taking into account the seriousness and extent of the violation, the public harm occasioned by the violation, whether the violation was intentional, and the financial resources of the respondent. Any penalties imposed under this provision shall be paid into the general fund of the state. In all cases where the administrative law judge finds that the respondent has engaged in an unfair discriminatory practice the administrative law judge shall order the respondent to pay an aggrieved party, who has suffered discrimination, compensatory damages in an amount up

to three times the actual damages sustained. In all cases, the administrative law judge may also order the respondent to pay an aggrieved party, who has suffered discrimination, damages for mental anguish or suffering and reasonable attorney's fees, in addition to punitive damages in an amount not more than ~~\$6,000~~ \$25,000. Punitive damages shall be awarded pursuant to section 549.20. In any case where a political subdivision is a respondent the total of punitive damages awarded an aggrieved party may not exceed ~~\$6,000~~ \$25,000 and in that case if there are two or more respondents the punitive damages may be apportioned among them. Punitive damages may only be assessed against a political subdivision in its capacity as a corporate entity and no regular or ex officio member of a governing body of a political subdivision shall be personally liable for payment of punitive damages pursuant to this subdivision. In addition to the aforesaid remedies, in a case involving discrimination in

(a) employment, the administrative law judge may order the hiring, reinstatement or upgrading of an aggrieved party, who has suffered discrimination, with or without back pay, admission or restoration to membership in a labor organization, or admission to or participation in an apprenticeship training program, on-the-job training program, or other retraining program, or any other relief the administrative law judge deems just and equitable.

(b) housing, the administrative law judge may order the sale, lease, or rental of the housing accommodation or other real property to an aggrieved party, who has suffered discrimination, or the sale, lease or rental of a like accommodation or other real property owned by or under the control of the person against whom the complaint was filed, according to terms as listed with a real estate broker, or if no such listing has been made, as otherwise advertised or offered by the vendor or lessor, or any other relief the administrative law judge deems just and equitable.

The administrative law judge shall cause the findings of fact, conclusions of law, and order to be served on the respondent personally, on the charging party by registered or certified mail, and shall furnish copies to the attorney general and the commissioner.

Sec. 8. Minnesota Statutes 1986, section 363.073, subdivision 1, is amended to read:

Subdivision 1. [SCOPE OF APPLICATION.] No department or agency of the state shall *receive, enter into, or accept* any bid or proposal for a contract ~~or~~ *nor* execute any contract for goods ~~or~~ services, *or the performance of any function, or any agreement to transfer funds for any reason* in excess of \$50,000 with any ~~business person~~ *business person* having more than 20 full-time employees in Minnesota at any time during the previous 12 months, unless the ~~firm or business person~~ *firm or business person* has an affirmative action plan for the employment of minority persons, women, and the disabled that has been approved by the commissioner of human rights. Receipt of a certificate of compliance issued by the commissioner shall signify that a ~~firm or business person~~ *firm or business person* has an affirmative action plan that has been approved by the commissioner. A certificate shall be valid for a period of two years.

Sec. 9. Minnesota Statutes 1986, section 363.073, subdivision 3, is amended to read:

Subd. 3. [REVOCAION OF CONTRACT.] A contract awarded by a department or agency of the state may be terminated or abridged by the department or agency because of suspension or revocation of a certificate

based upon a contractor's failure to implement or make a good faith effort to implement an affirmative action plan approved by the commissioner under this section. *If a contract is awarded to a person who does not have a contract compliance certificate required under subdivision 1, the commissioner may void the contract on behalf of the state.*

Sec. 10. Minnesota Statutes 1986, section 363.074, is amended to read:

363.074 [RULES FOR CERTIFICATES OF COMPLIANCE.]

The commissioner shall adopt rules to implement section 363.073 specifying the criteria used to review affirmative action plans and the standards used to review implementation of affirmative action plans. A firm or business certified to be in compliance with affirmative action requirements of a local human rights agency or the federal government shall *may* be deemed to be in compliance with section 363.073 upon submission to the commissioner of an affirmative action plan approved by a local human rights agency or the federal government and amendments to the plan which are necessary to address the employment of disabled persons protected by section 363.03, subdivision 1.

Sec. 11. Minnesota Statutes 1986, section 363.091, is amended to read:

363.091 [ENFORCEMENT.]

When a respondent fails or refuses to comply with a final decision of the department, the commissioner may file with the court administrator of district court in the judicial district in which the hearing was held a petition requesting the court to order the respondent to comply with the order of the department. Thereupon the court shall issue an order to show cause directed to the respondent why an order directing compliance should not be issued. ~~Notwithstanding the provisions of any law or rule of civil procedure to the contrary, the court shall examine at the hearing on the order to show cause all the evidence in the record and may amend the order of the department in any way the court deems just and equitable.~~ If the panel or examiner has ordered an award of damages pursuant to section 363.071 ~~and if the court sustains or modifies the award, it the court shall enter judgment on the order or modified order in the same manner as in the case of an order of the district court, as provided in section 546.27.~~

Sec. 12. Minnesota Statutes 1986, section 363.121, is amended to read:

363.121 [DEPARTMENT ATTORNEY.]

The attorney general shall be the attorney for the department. *When a matter has been referred to the attorney general by the commissioner after a finding of probable cause or for the purpose of interim relief, communications between members of the attorney general's office and charging parties or members of a class formed pursuant to section 363.06, subdivision 4, clause (7), are privileged as would be a communication between an attorney and a client.*

Sec. 13. Minnesota Statutes 1986, section 363.14, subdivision 1, is amended to read:

Subdivision 1. [COURT ACTIONS, SUITS BY PRIVATE PARTIES, INTERVENTION.] (a) *The commissioner or a person may bring a civil action seeking redress for an unfair discriminatory practice directly to district court. In addition, a person may bring a civil action:*

(a) ~~Directly to district court; or~~

~~(b) Notwithstanding the provisions of any law to the contrary,~~

(1) within 45 days after the commissioner has dismissed a charge because it is frivolous or without merit, because the charging party has failed to provide required information, because the commissioner has determined that further use of department resources is not warranted, or because the commissioner has determined that there is no probable cause to credit the allegations contained in a charge filed with the commissioner;

(2) within 45 days after the commissioner has reaffirmed a determination of no probable cause if the charging party requested a reconsideration of the probable cause determination; or

(3) after 45 days from the filing of a charge pursuant to section 363.06, subdivision 1 if a hearing has not been held pursuant to section 363.071 or if the commissioner has not entered into a conciliation agreement to which the charging party is a signator. The charging party shall notify the commissioner of an intention to bring a civil action, which shall be commenced within 90 days of giving the notice;

(b) If the commissioner has issued both probable cause and no probable cause determinations on separate issues in the same charge, the charging party may, if a hearing is held, require that all matters be heard at the hearing or may bring a civil action for the no probable cause charges at the same time as the probable cause charges under the rules and time frames that govern the probable cause charges.

~~(c) The commissioner may dismiss, without prejudice to the charging party, any case filed with the department on or before June 30, 1978. The commissioner shall notify a charging party by regular mail sent before August 1, 1981, of the right to bring a civil action pursuant to this section. Upon giving this notice the commissioner shall end all proceedings in the department relating to the charge. Notwithstanding any statutory period of limitation to the contrary, an individual notified pursuant to this clause may bring a civil action relating to the charge; provided that the action is filed on or before February 1, 1982.~~

A charging party bringing a civil action shall mail by registered or certified mail a copy of the summons and complaint to the commissioner, and upon their receipt the commissioner shall terminate all proceedings in the department relating to the charge. No charge shall be filed or reinstated with the commissioner after a civil action relating to the same unfair discriminatory practice has been brought unless the civil action has been dismissed without prejudice.

(d) Upon application by the complaining party to the district court at a special term and under circumstances the court deems just, the court may appoint an attorney for the person and may authorize the commencement of the action without payment of fees, costs, or security.

(e) Upon timely application, the court may permit the department to intervene in a civil action brought pursuant to this section upon certification that the case is of general public importance.

Sec. 14. Minnesota Statutes 1986, section 363.14, subdivision 3, is amended to read:

Subd. 3. [ATTORNEY'S FEES AND COSTS.] In any action or proceeding brought pursuant to this section the court, in its discretion, may

allow the prevailing party, ~~other than the department~~, a reasonable attorney's fee as part of the costs.

Sec. 15. [363.15] [NOTICE OF APPEAL TO THE COMMISSIONER.]

In any case that is appealed to the supreme court or the court of appeals in which an issue is raised under this chapter, the party raising the issue shall serve a copy of the notice of appeal on the commissioner. The clerk of the appellate courts may not accept a notice of appeal or other papers, documents, or briefs from any party in an action involving this chapter without proof of service of the papers, documents, or briefs upon the commissioner."

Amend the title as follows:

Page 1, line 7, delete "subdivisions 2," and insert "subdivision"

Page 1, line 10, after the first semicolon, insert "363.121;"

Page 1, lines 11 and 12, delete "363.03, subdivision 1;"

Page 1, line 12, before the period, insert "; proposing coding for new law in Minnesota Statutes, chapter 363"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 2395: A bill for an act relating to nonprofit corporations; requiring a notice of meetings or elections to inform members whether proxy voting is permitted and the manner of doing so; providing an administrative hearing for certain violations by officers or directors; giving members access to the membership list; amending Minnesota Statutes 1986, sections 317.22, subdivision 4; and 317.28; proposing coding for new law in Minnesota Statutes, chapter 317.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 317.22, subdivision 4, is amended to read:

Subd. 4. [NOTICE.] Subject to waiver under section 317.24, notice of meetings and elections, as provided in section 317.02, subdivision 6, shall be given to all members entitled to vote at the meeting or election. *If proxies are permitted at the meeting, the notice shall so inform members and state the procedure for appointing proxies.*

Sec. 2. Minnesota Statutes 1986, section 317.22, subdivision 6, is amended to read:

Subd. 6. [PROXIES.] (1) Unless specifically ~~prohibited~~ *permitted* by the articles or bylaws, proxies are ~~permitted~~ *prohibited* at all meetings.

(2) The appointment of a proxy shall be in writing filed at or before the meeting with the person who has been designated to act as secretary of the meeting.

(3) Except where the instrument of appointment prescribes otherwise:

- (a) the authority of a proxy ceases 11 months from the date of appointment;
- (b) an appointment of a proxy terminates all prior appointments when the appointment has been filed with the secretary of the meeting;
- (c) when a member appoints two or more persons to act as proxies, a majority of the member's proxies present at the meeting have the entire authority conferred by the instrument; when such proxies are equally divided upon the manner of voting in a particular case, they share the votes equally; and if only one proxy is present, that proxy has the entire authority conferred by the instrument.
- (4) Authority of a proxy is not terminated by the death or incapacity of the maker unless written notice of the fact of death or incapacity is given to the corporation before the vote has been cast or the authority otherwise exercised.

Sec. 3. Minnesota Statutes 1986, section 317.28, is amended to read:
317.28 [BOOKS AND RECORDS; FINANCIAL STATEMENT.]

(1) A domestic corporation shall keep at its registered office correct and complete books of account and minutes of proceedings of meetings of (a) members, (b) board of directors, and (c) committees having any of the authority of the board of directors.

(2) A member, or the member's agent or attorney, may inspect all books and records for any proper purpose at any reasonable time.

(3) Upon request by a member, the domestic corporation shall furnish the member with a statement showing the financial result of all operations and transactions affecting income and surplus during its last annual accounting period and a balance sheet containing a summary of its assets and liabilities as of the closing date of such accounting period.

(4) If the articles or bylaws permit a specified percentage of members to call a meeting of the board of directors or the membership, the corporation shall provide any voting member, within ten days after receiving a request, a statement showing the number of members required to call the meeting. The statement is binding on the corporation."

Amend the title as follows:

Page 1, delete lines 5 and 6 and insert "providing that proxies are prohibited unless authorized by the articles or bylaws"

Page 1, line 7, delete "access to the membership list"

Page 1, line 8, delete "subdivision" and insert "subdivisions" and after "4" insert "and 6"

Page 1, line 9, delete everything after "317.28" and insert a period

Page 1, delete line 10

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was re-referred S.F. No. 2266: A bill for an act relating to child abuse; authorizing counties to establish pilot programs; allowing the appointment of a children's

intermediary in certain criminal child abuse proceedings; prescribing powers and duties of the intermediary; proposing coding for new law in Minnesota Statutes, chapter 631.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [APPOINTMENT OF CHILD INTERMEDIARY IN CERTAIN CHILD ABUSE CASES; PILOT PROGRAM.]

Subdivision 1. [DEFINITIONS.] The definitions in this subdivision apply to this section.

(a) *"Criminal sexual conduct" means conduct defined as criminal by Minnesota Statutes, sections 609.342, 609.343, 609.344, and 609.345.*

(b) *"Significant relationship" means a relationship as defined by Minnesota Statutes, section 609.341, subdivision 15.*

(c) *"Child" means a person under the age of 18 who is the alleged victim of criminal sexual conduct perpetrated by an adult who has a significant relationship with the child victim.*

Subd. 2. [ESTABLISHMENT OF PILOT PROGRAM.] Until July 1, 1989, a county board may establish a three-year pilot project authorizing the appointment of a child intermediary under this section and setting forth criteria for selecting and training the intermediary and monitoring the program. The intermediaries may be paid or may be volunteers, but shall function independently of the county human services agency, the county attorney's office, local law enforcement agencies, and the public defender's office.

By January 1, 1991, a county participating in the program must report to the legislature the interim results of its pilot program. The county must submit a final report of the results of the program to the legislature by January 1, 1993.

Subd. 3. [APPOINTMENT BY COURT.] In a county with a pilot program established under subdivision 2, a child intermediary shall be appointed by the district court at the time a criminal charge is filed alleging criminal sexual conduct against a child by an adult who has a significant relationship with that child. In making the appointment, the court shall consider the person's background in and familiarity with the judicial process, social service programs, and child sexual abuse. If a guardian ad litem or other representative has been appointed to represent the child in concurrent judicial proceedings, the district court shall appoint the same individual to be the child intermediary if possible and if qualifications are met. The court must not appoint as a child intermediary a person who is likely to be a witness in any proceeding associated with the alleged criminal sexual conduct.

Subd. 4. [DUTIES.] A child intermediary's duties include the following:

(1) *protecting the child from unnecessary further trauma by marshalling and coordinating the delivery of available resources and special services to the child and the child's family;*

(2) *advising the court as to the child's special needs with regard to pretrial interviews, deposition or trial testimony, and the expediting of*

proceedings, and with respect to the child's ability to understand the process;

(3) advising the prosecuting attorney as to a child's ability to cooperate with the prosecution, and the potential effects of the proceedings on the child; and

(4) guaranteeing that the rights established for victims in Minnesota Statutes, section 611A.037 are extended to the child or to the child intermediary on the child's behalf.

Subd. 5. [POWERS.] A child intermediary has the power to:

(1) gain access to all reports, evaluations, and records necessary to perform the intermediary's functions; and

(2) make motions or objections to motions and petition the court for the appointment of an attorney for the intermediary if necessary to adequately protect the best interests of the child.

The intermediary may not introduce evidence or examine or cross-examine witnesses in the presence of the jury.

Subd. 6. [WITNESS PRIVILEGE.] Notwithstanding Minnesota Statutes, section 595.02, subdivision 1, child intermediaries appointed in criminal sexual conduct cases under this section may not be compelled to testify in any court action or proceeding about any opinion or information received from or about the child victim in the course of serving as an intermediary."

Amend the title as follows:

Page 1, line 4, delete "children's" and insert "child"

Page 1, line 6, delete everything after "intermediary" and insert a period

Page 1, delete line 7

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 2402: A bill for an act relating to criminal procedure; updating the wiretap law to conform to modern electronic communication technologies; providing procedures for interception of wire, electronic, or oral communication; regulating use of pen registers and trap and trace devices; prescribing penalties; amending Minnesota Statutes 1986, section 626A.01, subdivisions 3, 4, 5, 6, 8, 9, and by adding subdivisions; 626A.02, subdivisions 1, 2, and by adding subdivisions; 626A.03, subdivisions 1, and 2; 626A.05, subdivision 1; 626A.06, subdivisions 3, 4, 5, 6, and by adding subdivisions; 626A.08, subdivision 1; 626A.09, subdivisions 1, 2, 3, 4, and 5; 626A.10, subdivisions 1 and 2; 626A.11, subdivisions 1 and 2, and by adding a subdivision; 626A.12, subdivision 1, and by adding a subdivision; 626A.13; Minnesota Statutes 1987 Supplement, section 626A.05, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 8; 388; 609; and 626A.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 1 to 3, delete sections 1 to 3

Page 6, lines 29 and 30, delete "*the Rules of Federal Communications*

Commission" and insert "title 47 of the Code of Federal Regulations"

Page 6, line 31, after "74" insert "of title 47 of the Code of Federal Regulations"

Page 8, line 6, delete "20" and insert "17"

Page 8, line 7, delete "21" and insert "18"

Page 9, line 12, delete "unlawful under" and insert "a violation of"

Page 9, line 13, delete "50 to 58" and insert "47 to 55"

Page 9, lines 31 and 32, delete "633 of the Communications Act of 1934" and insert "553 of title 47 of the United States Code"

Page 9, lines 33 and 34, delete "705(a) of the Communications Act of 1934" and insert "605(a) of title 47 of the United States Code"

Page 9, line 34, delete "705(b)" and insert "605(b)" and delete "act" and insert "title"

Page 10, line 11, delete "63" and insert "60"

Page 11, lines 8 and 21, delete "21" and insert "18"

Page 11, line 36, delete "is" and insert:
"is"

Page 12, lines 12 and 13, delete "the rules of the Federal Communications Commission" and insert "title 47 of the Code of Federal Regulations and"

Page 12, line 14, delete "this chapter" and insert "sections 626A.01 to 626A.23"

Page 12, lines 22 and 27, delete "20" and insert "17"

Page 15, line 26, delete "32" and insert "29"

Page 17, line 2, delete "32" and insert "29"

Page 18, line 21, after the period, insert "The ten-day period begins on the earlier of the day on which the investigative or law enforcement officer first begins to conduct an interception under the order or ten days after the order is received."

Page 18, line 27, delete "this chapter" and insert "sections 626A.01 to 626A.23"

Page 20, line 25, after "(ii)" insert a comma and after "(d)" insert a comma

Page 21, line 14, after "(ii)" insert a comma

Page 21, line 15, after "(d)" insert a comma and delete "32" and insert "29"

Page 21, line 20, delete "32" and insert "29"

Page 27, line 12, delete "which" and insert "that"

Page 27, line 16, delete "preliminary" and insert "temporary"

Page 27, line 23, delete "this chapter" and insert "sections 626A.01 to 626A.23"

Page 27, lines 27 and 28, delete "the rules of the Federal Communications Commission" and insert "title 47 of the Code of Federal Regulations"

Page 27, line 33, delete "21" and insert "18"

Page 28, line 3, delete "21" and insert "18"

Page 28, line 22, delete "completed" and insert "complete"

Page 28, line 29, delete "a" and insert "an"

Page 29, line 8, delete "any" and insert "a"

Page 29, line 17, delete "a" in both places and insert "the" in both places

Page 29, line 18, delete "violation of this chapter"

Page 30, line 16, delete "52 or 53" and insert "49 or 50"

Page 31, line 6, delete "52" and insert "49"

Page 31, line 25, delete the comma

Page 32, line 2, delete "from" and insert "if"

Page 32, line 7, delete "54" and insert "51"

Page 32, line 33, after "2" insert a comma

Page 33, line 10, delete "subdivisions" and insert "subdivision"

Page 33, line 26, delete "50 to 58" and insert "47 to 55"

Page 33, line 29, delete "52" and insert "49" and after "(b)" insert a comma

Page 34, line 7, delete "54" and insert "51"

Page 34, line 14, after "release" insert "the"

Page 34, line 26, delete "52" and insert "49"

Page 34, line 32, delete "(a)" and insert "(b)"

Page 35, line 16, delete "50 to 58" and insert "47 to 55"

Page 35, line 18, after "person" insert a comma

Page 35, line 19, after "designee" insert a comma

Page 35, line 23, delete "that" and insert ". The response"

Page 36, line 7, delete "50 to 58" and insert "47 to 55"

Page 36, lines 14, 17, and 24, delete "52" and insert "49"

Page 37, line 3, delete "(1)(B)" and insert "(a), clause (2)"

Page 37, lines 5 and 35, delete "52" and insert "49"

Page 37, line 26, delete "50 to 58" and insert "47 to 55"

Page 37, line 29, after "sergeant" insert a comma

Page 37, line 30, delete the first "of" and insert "from"

Page 38, line 1, delete "52" and insert "49"

Page 38, lines 21 and 22, delete "51, 52, and 53" and insert "48, 49, and 50"

Page 38, line 23, delete "as" and insert "that"

Page 38, line 24, delete "which" and insert "that"

Page 38, line 27, after the second "of" insert "the"

Page 39, lines 6 and 12, delete "52" and insert "49"

Page 39, line 20, delete "preliminary" and insert "temporary"

Page 39, line 29, delete "or" and insert "to"

Page 39, line 34, delete "is" and insert:
"is"

Page 39, line 36, delete "50 to 58" and insert "47 to 55"

Page 40, lines 6, 8, and 10, delete "52 to 58" and insert "47 to 55"

Page 40, line 19, delete "61" and insert "58"

Page 41, line 7, delete "61" and insert "58"

Page 41, line 9, delete "59 to 63" and insert "56 to 60"

Page 41, line 22, delete "60" and insert "57"

Page 42, line 11, delete "62" and insert "59"

Page 42, line 17, delete "60" and insert "57"

Page 43, lines 1 and 14, delete "59 to 63" and insert "56 to 60"

Page 43, lines 10 and 25, delete "61" and insert "58"

Page 44, lines 4 and 5, delete "59 to 63" and insert "56 to 60"

Page 44, lines 9 and 12, delete "59 to 63" and insert "56 to 60"

Page 44, line 34, delete "48 to 63" and insert "45 to 60"

Page 44, after line 36, insert:

"Sec. 62. [REPEALER.]

Minnesota Statutes 1986, sections 626A.01, 626A.02, 626A.03, 626A.04, 626A.05, as amended by Laws 1987, chapters 217, section 3; 329, section 17; and 384, article 2, section 112, 626A.06, 626A.07, 626A.08, 626A.09, 626A.10, 626A.11, 626A.12, 626A.13, 626A.14, 626A.15, 626A.16, 626A.17, 626A.18, 626A.19, 626A.20, 626A.21, 626A.22, 626A.23, and sections 1 to 61 are repealed.

Sec. 63. [EFFECTIVE DATE.]

Sections 1 to 61 are effective August 1, 1988, and apply to crimes committed on or after that date. Section 62 is effective August 1, 1989."

Renumber the sections in sequence

Amend the title as follows:

Page 1, delete line 19 and insert "in Minnesota Statutes, chapter 626A; repealing Minnesota Statutes 1986, sections 626A.01 to 626A.04; 626A.05, as amended; and 626A.06 to 626A.23."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Davis from the Committee on Agriculture, to which was referred

S.F. No. 2255: A bill for an act relating to agriculture; extending certain benefits under the family farm security act; amending Minnesota Statutes 1986, section 41.57, subdivision 4.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Davis from the Committee on Agriculture, to which was referred

S.F. No. 2371: A bill for an act relating to agriculture; requiring a study on the feasibility of using ink with a soybean oil base for state printing.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Mr. Davis from the Committee on Agriculture, to which was referred

S.F. No. 2249: A bill for an act relating to agriculture; farm safety; restoring the position of extension safety program specialist in the extension service; assigning responsibilities; appropriating money.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, line 11, delete "\$" and insert "\$75,000"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 1944: A bill for an act relating to health; requiring hospitals to notify physicians and patients before destroying medical records; amending Minnesota Statutes 1986, section 145.32, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 145.32, subdivision 2, is amended to read:

Subd. 2. [RESPONSIBILITIES OF THE COMMISSIONER OF HEALTH INDIVIDUAL PERMANENT MEDICAL RECORD.] (a) The commissioner of health shall define by rule the term "individual permanent medical record" by enumerating the specific types of records or other information which that, at a minimum, must be maintained on a permanent basis by the hospital.

(b) "Individual permanent medical record" includes outpatient diagnostic and laboratory test results."

Delete the title and insert:

"A bill for an act relating to health; requiring outpatient diagnostic and test results to be retained as part of an individual permanent medical record; amending Minnesota Statutes 1986, section 145.32, subdivision 2."

And when so amended the bill do pass. Amendments adopted. Report

adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 1972: A bill for an act relating to the handicapped; permitting equal access to public accommodations for persons using a service dog; amending Minnesota Statutes 1986, section 256C.025, subdivision 4.

Reports the same back with the recommendation that the bill be amended as follows:

Amend the title as follows:

Page 1, line 3, delete "public accommodations" and insert "housing accommodations"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 1821: A bill for an act relating to crimes; police pursuit; increasing the penalty for fleeing a peace officer; providing for civil forfeiture of vehicle used to flee a peace officer; requiring local governments to establish pursuit procedures and training requirements by October 1, 1989; authorizing peace officer standards and training board to assist local governments in establishing procedures and training requirements; requiring reporting of all police pursuits to department of public safety; amending Minnesota Statutes 1986, sections 609.487, subdivision 3; 609.531, subdivisions 2, 4, and 6; 626.843, subdivision 1; and 626.845, subdivision 1; Minnesota Statutes 1987 Supplement, section 609.531, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 626.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, delete section 1 and insert:

"Section 1. Minnesota Statutes 1986, section 171.13, is amended by adding a subdivision to read:

Subd. 1c. [DRIVER'S MANUAL; FLEEING A PEACE OFFICER.] The commissioner shall include in each edition of the driver's manual published by the department a section relating to the criminal sanctions and forfeiture provisions applicable to persons who flee a peace officer in a motor vehicle."

Page 2, line 20, after the first comma, insert "*the department of natural resources, division of enforcement.*"

Page 2, line 26, delete the new language and insert "*felony-level*"

Page 2, line 32, strike "609.487;"

Page 2, line 36, before the period, insert "; *or a felony or gross misdemeanor violation of section 609.487*"

Pages 3 to 7, delete sections 3 to 5

Page 8, line 10, delete "*The*"

Page 8, delete lines 11 to 14

Page 8, line 23, after "*require*" insert "*that*" and delete "*to respond*"

with immediate" and insert "be responsible for"

Page 10, line 15, delete "6" and insert "3"

Page 12, line 26, delete ", 2, 3, 4, and 5" and insert "and 2"

Renumber the sections in sequence

Amend the title as follows:

Page 1, lines 2 and 3, delete "increasing the penalty for fleeing a peace officer" and insert "requiring certain driver's manual information"

Page 1, line 12, delete everything after "sections"

Page 1, line 13, delete everything before the semicolon and insert "171.13, by adding a subdivision"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 2124: A bill for an act relating to crime; law enforcement; requiring the reporting of crimes motivated by bias; requiring the peace officer standards and training board to mandate training for peace officers in recognizing, responding to, and reporting crimes of bias; proposing coding for new law in chapter 626.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 14, delete "it appears" and insert "the officer has reason to believe"

Page 1, line 16, after "origin," insert "sex, age, disability," and after "or" insert "characteristics identified as"

Page 1, line 23, after "(3)" insert "whether" and before "person" delete the parenthesis and insert "is a"

Page 1, line 24, after "property" delete the parenthesis

Page 1, line 26, delete everything after "bias"

Page 2, line 1, delete "or sexual orientation)"

Page 2, line 20, after "origin," insert "sex, age, disability," and after "or" insert "characteristics identified as"

Page 2, line 24, after the period, insert "The course must be updated periodically as the board considers appropriate."

Page 2, delete lines 25 to 30 and insert:

"Subd. 2. [PRE-SERVICE TRAINING REQUIREMENT.] An individual may not be licensed as a peace officer after August 1, 1989, unless the individual has received the training described in subdivision 1.

Subd. 3. [IN-SERVICE TRAINING; BOARD REQUIREMENTS.] The board must provide to chief law enforcement officers instructional materials patterned after the materials developed by the board under subdivision 1. These materials must meet board requirements for continuing education credit and be updated periodically as the board considers appropriate. The board must also seek funding for an educational conference to

inform and sensitize chief law enforcement officers and other interested persons to the law enforcement issues associated with bias crimes. If funding is obtained, the board may sponsor the educational conference on its own or with other public or private entities.

Subd. 4. [IN-SERVICE TRAINING; CHIEF LAW ENFORCEMENT OFFICER REQUIREMENTS.] *A chief law enforcement officer must inform all peace officers within the officer's agency of (1) the requirements of section 1, (2) the availability of the instructional materials provided by the board under subdivision 3, and (3) the availability of continuing education credit for the completion of these materials. The chief law enforcement officer must also encourage these peace officers to review or complete the materials."*

Delete the title and insert:

"A bill for an act relating to crime; law enforcement; requiring the reporting of crimes motivated by bias; requiring the peace officer standards and training board to mandate pre-service training for peace officers in recognizing, responding to, and reporting crimes of bias; requiring the board to make similar instructional materials available to peace officers for continuing education credit; proposing coding for new law in Minnesota Statutes, chapter 626."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was re-referred

S.F. No. 392: A bill for an act relating to public safety; providing for the mandatory surrender of registration plates and certificates of motor vehicles operated by repeat DWI offenders; providing for administrative and judicial review; appropriating money; amending Minnesota Statutes 1986, sections 168.041; 169.123, subdivisions 5b, 5c, and 6; 169.1261; and 171.29, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 168.041, is amended to read:

168.041 [IMPOUNDING REGISTRATION PLATES AND CERTIFICATES.]

Subdivision 1. When ~~any~~ a person is convicted of driving a motor vehicle after the suspension ~~or~~, revocation ~~or~~ cancellation of the ~~drivers~~ person's driver's license or driving privileges ~~of such person~~, the court shall require the registration plates and registration ~~certificates~~ certificate of ~~any~~ the motor vehicle involved in ~~such~~ the violation owned by ~~such~~ the person or registered in ~~that~~ the person's name to be surrendered to the court. ~~Upon surrender thereof~~ The court shall issue a receipt ~~therefor~~ for the surrendered registration plates and registration certificate.

If the violator is not the owner of ~~such~~ the motor vehicle, the court shall require the registration plates and ~~the~~ registration certificate of ~~any~~ the motor vehicle *to be surrendered to the court if the vehicle was used by the*

violator, with the permission of the owner ~~who and the owner~~ had knowledge of the fact that the violator's ~~drivers~~ driver's license had been revoked or suspended prior to the commission of the offense, ~~to be surrendered to the court.~~

Subd. 2. If ~~any~~ a person is convicted of violating ~~any~~ a law or municipal ordinance, except a parking ~~laws or ordinances~~ law or ordinance, regulating the operation of motor vehicles on the streets or highways, and the record of ~~such~~ the person so convicted shows a previous conviction for driving after suspension or revocation of the person's driver's license or driving privileges, the court may direct the commissioner of public safety to suspend the driver's license of ~~such~~ the person for a period not exceeding one year. The court may also require the registration plates and registration ~~certificates~~ certificate of any motor ~~vehicles~~ vehicle owned by the violator or registered in the violator's name to be surrendered to the court.

Subd. 3. *Except as otherwise provided in subdivision 3a*, if a person is convicted of ~~any~~ an offense ~~which~~ that makes mandatory the revocation of the ~~drivers~~ person's driver's license of ~~such~~ person, or is convicted of driving a motor vehicle without having a valid driver's license in force, the court may require the registration plates and registration ~~certificates~~ certificate of any motor vehicle owned by ~~such~~ the person or any motor ~~vehicles~~ vehicle registered in ~~that~~ the person's name to be surrendered to the court.

Subd. 3a. If a person's driver's license or driving privileges are revoked pursuant to a third violation of section 169.121 or 169.123 within five years, or a fourth or subsequent violation of section 169.121 or 169.123 within ten years, the court shall issue an impoundment order requiring the surrender of the registration plates and registration certificate of any motor vehicle owned by, registered, or leased in the name of the violator, including vehicles registered or leased jointly in the name of the violator and the violator's spouse and any vehicle involved in the violation if the vehicle owner was a passenger at the time of the violation and knew or should have known of the revocation. This requirement does not apply to rental motor vehicles, as defined in subdivision 10. An impoundment order must be issued under this subdivision when the driver appears in court on a criminal charge or civil driver's license matter arising out of the incident resulting in the most recent license revocation, whichever hearing occurs first. If no criminal charge or civil license matter is initiated in court, the attorney general may request an impoundment order under this subdivision in municipal or county court, or the unified district court in the jurisdiction where the violation of section 169.121 or 169.123 occurred.

In determining whether to issue an impoundment order, the court may rely on the following:

- (1) certified or uncertified copies of the violator's driving record;*
- (2) certified or uncertified copies of vehicle registration records; and*
- (3) other relevant documentation.*

Subd. 4. *Except as provided in subdivision 6 or subdivision 7, the court shall retain custody of the surrendered plates and certificates Within three days after the court issues an impoundment order, the registration plates and certificates must be surrendered to the court. The court shall forward surrendered registration certificates to the registrar of motor vehicles within seven days. The court may destroy the surrendered registration plates. Except as provided in subdivision 5, 6, or 7, no new registration*

plates may be issued to the violator or owner until such time as the driver's license of the violator has been reissued or reinstated. The court shall notify the commissioner of public safety within ten days after issuing an impoundment order.

Subd. 4a. [ADMINISTRATIVE REVIEW.] At any time during the effective period of an impoundment order, a person may request in writing a review of the impoundment order by the commissioner of public safety. Upon receiving a request the commissioner or the commissioner's designee shall review the order, the evidence upon which the order was based, and any other material information brought to the attention of the commissioner, and determine whether sufficient cause exists to sustain the order. The commissioner shall report in writing the results of the review within 15 days of receiving the request. The review provided in this subdivision is not subject to the contested case provisions of the administrative procedure act in sections 14.01 to 14.70. As a result of this review, the commissioner may authorize the issuance at no cost of new registration plates and a registration certificate to the owner of the vehicle if the owner's driver's license or driving privileges were not revoked under section 169.121 or 169.123 and the owner was not a passenger in the vehicle at the time of the violation.

Review under this subdivision shall take place, if possible, at the same time as any administrative review of the person's license revocation under section 169.123, subdivision 5b.

Subd. 5. At the time of ordering the surrender of the registration plates and registration certificates of a violator or owner, the court shall notify the registrar of motor vehicles of that fact. Except as provided in subdivision 6 or subdivision 7, no new or duplicate registration plates or new registration certificates shall be issued to such violator or owner until the surrendered plates and certificates are returned to the violator or owner by the court. If the driver's license revocation that is the basis for an impoundment order is rescinded, the registrar of motor vehicles shall issue new registration plates and a registration certificate for the vehicle at no cost, when the registrar receives an application that includes a copy of the order rescinding the driver's license revocation.

Subd. 6. Any such (a) A violator or owner may apply to the registrar of motor vehicles commissioner for new registration plates, which shall must bear a special series number which may of numbers or letters so as to be readily identified by traffic law enforcement officers. A fee of \$5 shall accompany the application. The registrar of motor vehicles shall forthwith notify the court of such application. The court may return the registration certificate of such violator or owner to the registrar of motor vehicles, together with its consent to the issuance of such registration plates to such violator or owner. Thereupon the registrar of motor vehicles shall issue such new registration plates. The commissioner may authorize the issuance of special plates if (1) a member of the violator's household has a valid driver's license, (2) the violator or owner has a limited license issued under section 171.30, or (3) the owner is not the violator and the owner has a valid or limited license or a member of the owner's household has a valid driver's license. The commissioner may issue the special plates on payment of a \$25 fee for each vehicle for which special plates are requested. The commissioner may not authorize the issuance of special plates unless the court that impounded the vehicle's plates gives written approval for the issuance of the special plates.

(b) ~~Until the drivers driver's license of such the violator is reinstated or reissued, the violator shall inform the commissioner that an impoundment order is in effect when requesting any new registration plates issued to the violator or to an owner whose plates have been impounded shall bear a special series number.~~

Subd. 7. ~~If An owner wishes to may not sell a motor vehicle during the time its registration plates and registration certificate are impounded have been ordered surrendered or during the time its registration plates bear a special series number, unless the owner may apply applies to the court which that impounded such the plates and certificate, for consent to transfer title to the motor vehicle. If the court is satisfied that the proposed sale is in good faith and for a valid consideration, that the owner will thereby be deprived of the custody and control of the motor vehicle, and that the sale is not for the purpose of circumventing the provisions of this section, it may certify its consent to the registrar of motor vehicles and return the impounded registration plates and certificates. If during The registrar shall then transfer the registration certificate to the new owner upon proper application and issue new registration plates. After the time the registration plates and certificate of registration are impounded certificate have been ordered surrendered to the court under this section, if the title to said the motor vehicle is transferred by the foreclosure of a chattel mortgage, the cancellation of a conditional sales contract, a sale upon execution, or by decree or order of a court of competent jurisdiction, the court shall order the license plates and registration certificate surrendered to the new owner and notify the registrar of motor vehicles of such action. The registrar of motor vehicles shall then transfer the registration plates and registration certificates to the new owner certificate and issue new registration plates to the new owner.~~

Subd. 8. Nothing contained in this section is intended to change or modify any provision of this chapter, with respect to the taxation of motor vehicles or the time within which ~~the motor vehicle taxes thereon shall must be~~ paid.

Subd. 9. ~~Any A person who fails to surrender any impounded registration plates or a registration certificates certificate to the court upon demand or under this section, who operates any a motor vehicle on a street or highway at a time when a court has ordered the surrender of its registration plates and registration certificate, or who fails to comply with subdivision 6, paragraph (b), is guilty of a misdemeanor.~~

Subd. 10. "Rental motor vehicle" means a passenger vehicle, truck, motorcycle, or motorized bicycle:

(1) that is involved in a violation under subdivision 3a, leased in the name of the violator, or leased jointly in the name of the violator and the violator's spouse; and

(2) that is one of a fleet of two or more vehicles rented for periods of 30 days or less.

Sec. 2. Minnesota Statutes 1986, section 169.123, subdivision 5b, is amended to read:

Subd. 5b. [ADMINISTRATIVE REVIEW.] At any time during a period of revocation imposed under this section a person may request in writing a review of the order of revocation by the commissioner of public safety. Upon receiving a request the commissioner or the commissioner's designee

shall review the order, the evidence upon which the order was based, and any other material information brought to the attention of the commissioner, and determine whether sufficient cause exists to sustain the order. Within 15 days of receiving the request the commissioner shall report in writing the results of the review. The review provided in this subdivision is not subject to the contested case provisions of the administrative procedure act in sections 14.01 to 14.70.

The availability of administrative review for an order of revocation ~~shall have~~ has no effect upon the availability of judicial review under this section.

Review under this subdivision shall take place, if possible, at the same time as any administrative review of the person's impoundment order under section 168.041, subdivision 4a.

Sec. 3. Minnesota Statutes 1986, section 169.1261, is amended to read:

169.1261 [REINSTATEMENT OF DRIVING PRIVILEGES; NOTICE.]

Upon expiration of ~~any~~ a period of revocation under section 169.121 or 169.123, the commissioner of public safety shall notify the person of the terms upon which driving privileges can be reinstated, *and new registration plates issued*, which terms are: (1) successful completion of a driving test and proof of compliance with any terms of alcohol treatment or counseling previously prescribed, if any; and (2) any other requirements imposed by the commissioner and applicable to that particular case. *The commissioner shall notify the owner of a motor vehicle subject to an impoundment order under section 168.041 as a result of the violation who is not the violator of the procedures for obtaining new registration plates.* The commissioner shall also notify the person that if driving is resumed without reinstatement of driving privileges *or without valid registration plates and registration certificate*, the person will be subject to criminal penalties.

Sec. 4. Minnesota Statutes 1986, section 171.29, is amended by adding a subdivision to read:

Subd. 3. A person whose license has been revoked under section 169.121 or 169.123 may not be issued another license at the end of the revocation period unless the person has complied with all applicable registration plate impoundment provisions of section 168.041.

Sec. 5. [DESTRUCTION OF STORED LICENSE PLATES.]

License plates surrendered to courts before the effective date of section 1 may be destroyed.

Sec. 6. [EVALUATION.]

The commissioner of public safety shall monitor and evaluate the implementation and effects of the registration plate impoundment provisions of sections 1 to 5, and shall submit a written report to the legislature by January 1, 1990, containing the commissioner's findings and recommendations.

Sec. 7. [EFFECTIVE DATE.]

Sections 1 to 6 are effective August 1, 1988, and apply to violations committed on or after that date."

Amend the title as follows:

Page 1, line 5, delete "and judicial"

Page 1, line 6, delete "appropriating money" and insert "requiring a report"

Page 1, line 7, delete "subdivisions" and insert "subdivision" and delete ", 5c, and 6"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was re-referred

S.F. No. 1762: A bill for an act relating to agriculture; allowing exemptions for partnerships if the partnership is made up of certain individuals; amending Minnesota Statutes 1986, sections 323.24; and 550.37, subdivisions 18 and 19.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 5, delete "*the homestead or*"

Page 2, lines 21 to 24, delete the new language and insert "*When a debtor is a partnership of spouses or a partnership of natural persons related to each other within the third degree of kindred according to the rules of the civil law, for the purposes of the exemptions in this section, the partners may elect to treat the assets of the partnership as assets of the individual partners*"

Page 3, after line 1, insert:

"Sec. 4. [EFFECTIVE DATE.]

Section 3 is effective January 1, 1989."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 2299: A bill for an act relating to St. Louis county; providing duties of the county board and the county administrator; regulating finances; providing for property assessments; repealing obsolete laws; amending Minnesota Statutes 1986, sections 383C.031; 383C.034; 383C.091; 383C.094, subdivision 1; 383C.131; 383C.133, subdivision 1; 383C.135; 383C.16; 383C.161; 383C.162; 383C.231, subdivision 1; 383C.232; 383C.26; 383C.261; 383C.36; 383C.422; 383C.482, subdivision 1; 383C.74, subdivision 1; 383C.75; and 383C.78, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 383C; repealing Minnesota Statutes 1986, section 383C.075; 383C.076; 383C.095; 383C.132; 383C.13; 383C.133; 383C.17; 383C.171; 383C.174; 383C.175; 383C.20; 383C.201; 383C.202; 383C.203; 383C.291; 383C.292; 383C.339; 383C.361; 383C.362; 383C.363; 383C.392, subdivision 2; 383C.423; 383C.424; 383C.45; 383C.481; 383C.52; 383C.521; 383C.523; 383C.55; 383C.551; 383C.552; 383C.553; 383C.554; 383C.555, subdivision 2; 383C.556; 383C.557; 383C.61; 383C.611; 383C.612; 383C.613; 383C.64; 383C.641; 383C.642; 383C.643; 383C.644; 383C.645; 383C.646; 383C.647; 383C.648; 383C.649; 383C.65; 383C.651; 383C.66; 383C.67; 383C.671; 383C.672; 383C.673; 383C.674; 383C.675; 383C.676; 383C.677; 383C.77; 383C.80; 383C.801; 383C.802; 383C.803; 383C.804; and 383C.805; Minnesota Statutes 1987 Supplement, section

383C.76.

Reports the same back with the recommendation that the bill be amended as follows:

Page 6, delete lines 18 to 28 and insert:

“Sec. 3. Minnesota Statutes 1987 Supplement, section 383C.035, is amended to read:

383C.035 [UNCLASSIFIED CIVIL SERVICE.]

The officers and employees of such county and of any agency, board, or commission, supported in whole or in part by taxation upon the taxable property of such county or appointed by the judges of the district or probate court for such county, are hereby divided into the unclassified and classified service. The unclassified service shall comprise:

- (a) All officers elected by popular vote or persons appointed to fill vacancies in such offices.
- (b) Judges and receivers, referees, arbiters, court reporters, jurors, notaries public, and persons appointed by a court to make or conduct any special inquiry of a judicial and temporary character.
- (c) Superintendent or principal administrative officer or comptroller of any separate department of county government which is now or hereafter created pursuant to law, who is directly responsible to the board of county commissioners or any other board or commission, as well as the county agricultural agents and the home demonstration agents under the control of the county extension committee.
- (d) Members of nonpaid board, or commissioners appointed by the board of county commissioners or acting in an advisory capacity.
- (e) Assistant county attorneys or special investigators in the employ of the county attorney.
- (f) All common labor temporarily employed on an hourly basis.
- (g) All inmate or patient help in county institutions.
- (h) All physicians, dentists, registered nurses and medical laboratory technicians working under the direction of a licensed physician or dentist in any hospital or sanatorium operated by a commission or board of such county.
- (i) ~~All county commissioners' clerks appointed by the county board after the passage of sections 383C.03 to 383C.059; but nothing in sections 383C.03 to 383C.059 shall affect the civil service status of any person previously appointed and now holding such a position in the classified service of the county Not more than a total of nine clerks serving the county board and administrator.~~
- (j) A legislative lobbyist/grant coordinator appointed by the county board to act as legislative liaison with the St. Louis county legislative delegation and pursue legislative concerns and grant opportunities for the county, and the clerk for that position.
- (k) The county recorder.
- (l) Any department head designated by the county board.
- (m) ~~One clerk for the county administrator~~ *Two administrative assistants*

in the county administrator's office.

The classified service shall include all other positions now existing and hereinafter created in the service of the county or any board or commission, agency, or offices of such county."

Page 12, after line 2, insert:

"Sec. 13. Minnesota Statutes 1986, section 383C.17, is amended to read:
383C.17 [COURTHOUSE BUILDING COMMISSION.]

~~In St. Louis county, the courthouse building commission~~ *The board of county commissioners of St. Louis county shall have the authority to assign and reassign space and rooms to the various offices in the courthouses and county office buildings in said county."*

Page 14, line 12, reinstate the stricken ", not to exceed" and after the stricken "\$15,000" insert "\$75,000" and reinstate the stricken "annually,"

Page 17, line 30, delete "383C.17;"

Page 17, line 31, delete "383C.201;"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 8, after "383C.162;" insert "383C.17;"

Page 1, line 11, after the third semicolon, insert "Minnesota Statutes 1987 Supplement, section 383C.035;"

Page 1, line 15, delete "383C.17;"

Page 1, line 16, delete "383C.201;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Davis from the Committee on Agriculture, to which was referred

S.F. No. 655: A bill for an act relating to agriculture; providing a milk marketing and price stabilization plan; declaring state policy relating to milk; creating a milk stabilization board; authorizing the board to prescribe milk stabilization plans and maximum and minimum prices for marketing milk; requiring licenses for persons involved in milk marketing; prescribing milk marketing violations; authorizing enforcement of disruptive trade practices; authorizing entry, inspection, and investigation of milk marketing practices; requiring records and reports; providing remedies and penalties for milk marketing violations; authorizing local advisory boards; authorizing assessments on milk processors; authorizing a referendum on continuance of stabilized prices; proposing coding for new law as Minnesota Statutes, chapter 32C; repealing Minnesota Statutes 1986, chapter 32A.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [32C.15] [MINNESOTA DAIRY TASK FORCE.]

Subdivision 1. [ESTABLISHMENT.] The Minnesota dairy task force is established consisting of:

- (1) *the commissioner of agriculture or the commissioner's designee;*
- (2) *two members representing statewide farm organizations appointed by the commissioner of agriculture;*
- (3) *one member representing a dairy producer's organization appointed by the commissioner of agriculture;*
- (4) *a representative from the University of Minnesota designated by the dean of the college of agriculture;*
- (5) *two milk producers appointed by the governor; and*
- (6) *two dairy processors appointed by the governor.*

Subd. 2. [OBJECTIVES.] The objectives of the Minnesota dairy task force are to:

- (1) *increase production efficiency of dairy cow herds;*
- (2) *reduce input costs of production;*
- (3) *increase profitability of individual dairy farms; and*
- (4) *establish long-range goals, objectives, and time line achievement strategies for the dairy industry.*

Subd. 3. [DUTIES.] The Minnesota dairy task force shall by June 1, 1989:

- (1) *gather existing information on increasing milk production efficiency of dairy cow herds, reducing input costs, and increasing profitability of dairy farms;*
- (2) *establish a mechanism to disseminate gathered information to dairy farmers in a practical form;*
- (3) *examine computerized analysis of dairy records and the available software, and recommend practical alternatives for dairy farmers to use computerized analysis;*
- (4) *develop a preliminary draft of long-range goals, objectives, and time line achievement strategies for the dairy industry; and*
- (5) *recommend legislation needed to accomplish the objectives and goals in subdivision 2.*

Subd. 4. [PILOT PROJECTS.] The Minnesota dairy task force shall develop pilot projects of general application on dairy farms to demonstrate methods of increasing profitability of dairy farms.

Sec. 2. [REPORT.]

The Minnesota dairy task force shall prepare and submit a report on its activities, accomplishments, and recommendations to the agriculture committees of the senate and house of representatives by February 1, 1989.

Sec. 3. [APPROPRIATION.]

\$30,000 is appropriated from the general fund to the commissioner of agriculture to be matched equally by private funds to pay for the expenses of the Minnesota dairy task force and pilot projects authorized under section 1, subdivision 4.

Sec. 4. [REPEALER.]

Section 1 is repealed effective June 30, 1990.

Sec. 5. [EFFECTIVE DATE.]

Sections 1 to 3 are effective July 1, 1988."

Delete the title and insert:

"A bill for an act relating to agriculture; establishing a Minnesota dairy task force; providing for pilot projects and reports; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 32C."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Purfeerst from the Committee on Transportation, to which was referred

H.F. No. 2056: A bill for an act relating to state lands; requiring corrective deed to be issued to Basilica of St. Mary of Minneapolis for state lands authorized to be conveyed to Basilica of St. Mary's, Inc.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

Mr. Purfeerst from the Committee on Transportation, to which was referred

S.F. No. 1827: A bill for an act relating to public safety; providing that a fee for applications for quarterly reporting of fuel tax be deposited in the highway user tax distribution fund; amending Minnesota Statutes 1987 Supplement, section 296.17, subdivision 9a.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Purfeerst from the Committee on Transportation, to which was referred

H.F. No. 1816: A bill for an act relating to traffic regulations; requiring motor vehicle lessors to provide child passenger restraints on request; amending Minnesota Statutes 1987 Supplement, section 169.685, subdivision 6.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 1934: A bill for an act relating to crimes; prohibiting possession of fireworks; increasing penalties for selling or possessing certain quantities of fireworks; providing penalties; amending Minnesota Statutes 1986, sections 624.21; 624.23; and 624.25.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 8, insert:

"Section 1. Minnesota Statutes 1986, section 609.50, is amended to read:

609.50 [OBSTRUCTING LEGAL PROCESS OR ARREST.]

Whoever intentionally obstructs, hinders or prevents the lawful execution

of any legal process, civil or criminal, or apprehension of another on a charge or conviction of a criminal offense or *obstructs, resists or interferes* with a peace officer while the officer is engaged in the performance of official duties, or by force or threat of force endeavors to obstruct any employee of the department of revenue while the employee is lawfully engaged in the performance of official duties for the purpose of deterring or interfering with the performance of those duties, may be sentenced as follows:

(1) If the act was accompanied by force or violence or the threat thereof, to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both; or

(2) In other cases to imprisonment for not more than 90 days or to payment of a fine of not more than \$700, or both.

Sec. 2. Minnesota Statutes 1986, section 624.20, is amended to read:

624.20 [FIREWORKS.]

Subdivision 1. As used in sections 624.20 to 624.25, the term "fireworks" means any substance or combination of substances or article prepared for the purpose of producing a visible or an audible effect by combustion, explosion, deflagration, or detonation, and includes blank cartridges, toy cannons, and toy canes in which explosives are used, the type of balloons which require fire underneath to propel them, firecrackers, torpedoes, sky-rockets, Roman candles, daygo bombs, sparklers, or other fireworks of like construction, and any fireworks containing any explosive or inflammable compound, or any tablets or other device containing any explosive substance and commonly used as fireworks. The term "fireworks" shall not include toy pistols, toy guns, in which paper caps containing 25 hundredths grains or less of explosive compound are used and toy pistol caps which contain less than 20 hundredths grains of explosive mixture.

Subd. 2. As used in sections 624.20 to 624.25, the term "explosive fireworks" means any fireworks that contain pyrotechnic powder, gunpowder, black powder, or any other explosive compound."

Page 2, delete section 3 and insert:

"Sec. 5. Minnesota Statutes 1986, section 624.25, is amended to read:

624.25 [VIOLATION; PENALTIES.]

Any person violating the provisions of sections 624.20 to 624.24 shall may be guilty of a misdemeanor sentenced as follows:

(1) if the violation involves explosive fireworks in an amount of 50 pounds gross container weight or more, to imprisonment for not more than three years, or to payment of a fine of not more than \$5,000, or both;

(2) if the violation involves explosive fireworks in an amount of at least 10 pounds gross container weight but less than 50 pounds gross container weight, to imprisonment for not more than one year, or to payment of a fine of not more than \$3,000, or both;

(3) if the violation involves explosive fireworks in an amount of less than 10 pounds gross container weight, to imprisonment for not more than 90 days, or to payment of a fine of not more than \$700, or both; and

(4) if the violation involves any amount of fireworks other than explosive fireworks, to imprisonment for not more than 90 days, or to payment of a

fine of not more than \$700, or both."

Page 2, line 32, delete "3" and insert "5"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "prohibiting the obstruction of a peace officer; defining explosive fireworks;"

Page 1, line 5, after "sections" insert "609.50; 624.20;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 2103: A bill for an act relating to human services; implementing minority child heritage protection act; requiring minority councils to review placement data; requiring rule revision; planning for permanency; improving recruitment of minority adoptive and foster care families; designating recruitment specialist; requiring out-of-home placement reports; creating task force; requiring training of adoption and foster care families and workers; providing grants for support services; expanding definition of "relative" for purposes of placement priority; appropriating money; amending Minnesota Statutes 1986, sections 3.9223, subdivision 3; 3.9225, subdivision 3; 3.9226, subdivision 3; 256F03, subdivision 8; 257.071, subdivisions 2, 3, and by adding a subdivision; 257.072; and 260.015, subdivision 13; Minnesota Statutes 1987 Supplement, section 3.922, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 257; repealing Minnesota Statutes 1986, section 257.071, subdivision 6.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, line 16, delete "10" and insert "11"

Page 4, line 13, delete "10" and insert "11"

Page 5, line 13, delete "10" and insert "11"

Page 6, line 27, delete "10" and insert "11"

Page 7, after line 5, insert:

"Sec. 6. Minnesota Statutes 1986, section 256F07, is amended by adding a subdivision to read:

Subd. 3a. [MINORITY FAMILY SERVICES.] In addition to services listed in subdivision 3, placement prevention and family reunification services for minority children include:

(1) development of foster and adoptive placement resources, including recruitment, licensing, and support;

(2) advocacy in working with the county and private social service agencies, and activities to help provide access to agency services;

(3) family and community involvement strategies to combat child abuse and chronic neglect of children;

(4) coordinated child welfare and mental health services to minority

families; and

(5) other activities and services approved by the commissioner that further the goals of the minority heritage preservation act."

Page 7, line 16, delete "10" and insert "11"

Page 7, line 30, after "offered" insert "or approved"

Page 10, line 18, after "of" insert "minority"

Page 10, line 19, delete "each year" and insert "during their first year, followed by at least 12 hours of cultural sensitivity training in each subsequent year"

Page 12, line 4, after "11." insert "[257.073]"

Page 12, line 14, delete "257.073" and insert "257.074"

Page 12, line 33, after "develop" insert "and provide to agencies"

Page 13, line 4, after "provide" insert "or approve"

Pages 13 and 14, delete section 14

Page 14, line 8, delete "13" and insert "14"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 15, after "8;" insert "256F07, by adding a subdivision;"

Page 1, line 16, after the semicolon, insert "and"

Page 1, line 17, delete "and 260.015, subdivision 13;"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 1508: A bill for an act relating to child care; expanding eligibility for child care sliding fee program; providing for reimbursement of child care provider accreditation fees; creating an office of child care providers assistance in the department of human services; increasing the number of certain licensing inspections; requiring a study of day care funding sources; requiring a privately operated child care in capitol complex; establishing state policy for certain inspections; exempting construction materials and equipment from sales tax; creating a tuition tax credit; creating an employer tax credit for child care operations; establishing state grants to county government; appropriating money; amending Minnesota Statutes 1986, sections 16B.04, subdivision 2; 16B.39, by adding a subdivision; 245.783, by adding a subdivision; 245.884; 256.01, subdivision 2; 268.91, subdivision 4, and by adding a subdivision; 290.06, by adding subdivisions; and 297A.25, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 245 and 256.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 16B.04, subdivision 2, is

amended to read:

Subd. 2. [POWERS AND DUTIES, GENERAL.] Subject to other provisions of this chapter, the commissioner is authorized to:

- (1) supervise, control, review, and approve all state contracts and purchasing;
- (2) provide agencies with supplies and equipment and operate all central store or supply rooms serving more than one agency;
- (3) approve all computer plans and contracts, and oversee the state's data processing system;
- (4) investigate and study the management and organization of agencies, and reorganize them when necessary to ensure their effective and efficient operation;
- (5) manage and control state property, real and personal;
- (6) maintain and operate all state buildings including the state capitol building and grounds;
- (7) supervise, control, review, and approve all capital improvements to state buildings and the capitol building and grounds;
- (8) provide central duplicating, printing, and mail facilities;
- (9) oversee publication of official documents and provide for their sale;
- (10) manage and operate parking facilities for state employees and a central motor pool for travel on state business; *and*
- (11) establish and administer a state building code; *and*
- (12) ~~provide rental space within the capitol complex for a private day care center for children of state employees. The commissioner shall contract for services as provided in this chapter. The commissioner shall report back to the legislature by October 1, 1984, with the recommendation to implement the private day care operation.~~

Sec. 2. Minnesota Statutes 1986, section 16B.39, is amended by adding a subdivision to read:

Subd. 3. [DAY CARE FOR STATE EMPLOYEES.] The commissioner must provide rental space within the capitol complex for a private day care center for children of state employees. The commissioner shall contract for services as provided in this chapter.

Sec. 3. Minnesota Statutes 1987 Supplement, section 245A.04, subdivision 4, is amended to read:

Subd. 4. [INSPECTIONS; WAIVER.] (a) Before issuing a license, the commissioner shall conduct an inspection of the program. The inspection must include but is not limited to:

- (1) an inspection of the physical plant;
- (2) an inspection of records and documents;
- (3) an evaluation of the program by consumers of the program; and
- (4) observation of the program in operation.

For the purposes of this subdivision, "consumer" means a person who receives the services of a licensed program, the person's legal guardian, or the parent or individual having legal custody of a child who receives the

services of a licensed program.

(b) The evaluation required in paragraph (a), clause (3) or the observation in paragraph (a), clause (4) is not required prior to issuing a provisional license under subdivision 7. If the commissioner issues a provisional license under subdivision 7, these requirements must be completed within one year after the issuance of a provisional license. The observation in paragraph (a), clause (4) is not required if the commissioner determines that the observation would hinder the persons receiving services in benefiting from the program.

(c) The licensing authority must make one unannounced inspection of day care facilities licensed under chapter 245A each year they are licensed. If a violation is found during inspection or a complaint is filed against the operator, a second unannounced inspection may be made.

Sec. 4. Minnesota Statutes 1987 Supplement, section 245A.09, is amended by adding a subdivision to read:

Subd. 8. [ACCREDITATION OF DAY CARE PROGRAMS.] The commissioner shall encourage day care providers to participate in a nationally recognized accreditation system for early childhood programs. The commissioner shall allow a credit toward the license fees of licensed day care operators who obtain accreditation in an amount equal to the cost of the accreditation validation fee.

Sec. 5. [245A.17] [OFFICE OF CHILD CARE PROVIDERS ASSISTANCE.]

Subdivision 1. [CREATION.] An office of child care providers assistance is created within the department of human services.

Subd. 2. [DUTIES; REPORT.] The office shall provide and advertise the existence of a toll-free telephone number that child care service providers may use to contact the office. The commissioner shall, by the toll-free number, give to child care service providers free technical assistance in understanding licensing rules, information concerning the operation of child care services as a business, information on the training of providers, and accept suggestions and criticism concerning licensing, funding, training, or related issues.

The staff of the office shall present an annual report to the legislature on its duties, services, and the complaints received.

Sec. 6. Minnesota Statutes 1987 Supplement, section 256.01, subdivision 2, is amended to read:

Subd. 2. [SPECIFIC POWERS.] Subject to the provisions of section 241.021, subdivision 2, the commissioner of human services shall:

(1) Administer and supervise all forms of public assistance provided for by state law and other welfare activities or services as are vested in the commissioner.

(2) Administer and supervise all child welfare activities; promote the enforcement of laws protecting handicapped, dependent, neglected and delinquent children, and children born to mothers who were not married to the children's fathers at the times of the conception nor at the births of the children; license and supervise child-caring and child-placing agencies and institutions; supervise the care of children in boarding and foster homes or in private institutions; and generally perform all functions relating to

the field of child welfare now vested in the state board of control.

(3) Administer and supervise all noninstitutional service to handicapped persons, including those who are visually impaired, hearing impaired, or physically impaired or otherwise handicapped. The commissioner may provide and contract for the care and treatment of qualified indigent children in facilities other than those located and available at state hospitals when it is not feasible to provide the service in state hospitals.

(4) Assist and actively cooperate with other departments, agencies and institutions, local, state, and federal, by performing services in conformity with the purposes of Laws 1939, chapter 431.

(5) Act as the agent of and cooperate with the federal government in matters of mutual concern relative to and in conformity with the provisions of Laws 1939, chapter 431, including the administration of any federal funds granted to the state to aid in the performance of any functions of the commissioner as specified in Laws 1939, chapter 431, and including the promulgation of rules making uniformly available medical care benefits to all recipients of public assistance, at such times as the federal government increases its participation in assistance expenditures for medical care to recipients of public assistance, the cost thereof to be borne in the same proportion as are grants of aid to said recipients.

(6) Establish and maintain any administrative units reasonably necessary for the performance of administrative functions common to all divisions of the department.

(7) Administer and supervise any additional welfare activities and services as are vested by law in the department.

(8) The commissioner is designated as guardian of both the estate and the person of all the wards of the state of Minnesota, whether by operation of law or by an order of court, without any further act or proceeding whatever, except as to persons committed as mentally retarded.

(9) Act as coordinating referral and informational center on requests for service for newly arrived immigrants coming to Minnesota.

(10) The specific enumeration of powers and duties as hereinabove set forth shall in no way be construed to be a limitation upon the general transfer of powers herein contained.

(11) Establish county, regional, or statewide schedules of maximum fees and charges which may be paid by local agencies for medical, dental, surgical, hospital, nursing and nursing home care and medicine and medical supplies under all programs of medical care provided by the state and for congregate living care under the income maintenance programs.

(12) Have the authority to conduct and administer experimental projects to test methods and procedures of administering assistance and services to recipients or potential recipients of public welfare. To carry out such experimental projects, it is further provided that the commissioner of human services is authorized to waive the enforcement of existing specific statutory program requirements, rules, and standards in one or more counties. The order establishing the waiver shall provide alternative methods and procedures of administration, shall not be in conflict with the basic purposes, coverage, or benefits provided by law, and in no event shall the duration of a project exceed four years. It is further provided that no order establishing an experimental project as authorized by the provisions of this section shall

become effective until the following conditions have been met:

(a) The proposed comprehensive plan including estimated project costs and the proposed order establishing the waiver shall be filed with the secretary of the senate and chief clerk of the house of representatives at least 60 days prior to its effective date.

(b) The secretary of health, education, and welfare of the United States has agreed, for the same project, to waive state plan requirements relative to statewide uniformity.

(c) A comprehensive plan, including estimated project costs, shall be approved by the legislative advisory commission and filed with the commissioner of administration.

(13) In accordance with federal requirements establish procedures to be followed by local welfare boards in creating citizen advisory committees, including procedures for selection of committee members.

(14) Allocate federal fiscal disallowances or sanctions which are based on quality control error rates for the aid to families with dependent children, medical assistance, or food stamp program in the following manner:

(a) One-half of the total amount of the disallowance shall be borne by the county boards responsible for administering the programs. For the medical assistance and AFDC programs, disallowances shall be shared by each county board in the same proportion as that county's expenditures for the sanctioned program are to the total of all counties' expenditures for the AFDC and medical assistance programs. For the food stamp program, sanctions shall be shared by each county board, with 50 percent of the sanction being distributed to each county in the same proportion as that county's administrative costs for food stamps are to the total of all food stamp administrative costs for all counties, and 50 percent of the sanctions being distributed to each county in the same proportion as that county's value of food stamp benefits issued are to the total of all benefits issued for all counties. Each county shall pay its share of the disallowance to the state of Minnesota. When a county fails to pay the amount due hereunder, the commissioner may deduct the amount from reimbursement otherwise due the county, or the attorney general, upon the request of the commissioner, may institute civil action to recover the amount due.

(b) Notwithstanding the provisions of paragraph (a), if the disallowance results from knowing noncompliance by one or more counties with a specific program instruction, and that knowing noncompliance is a matter of official county board record, the commissioner may require payment or recover from the county or counties, in the manner prescribed in paragraph (a), an amount equal to the portion of the total disallowance which resulted from the noncompliance, and may distribute the balance of the disallowance according to paragraph (a).

(15) Develop and implement special projects that maximize reimbursements and result in the recovery of money to the state. For the purpose of recovering state money, the commissioner may enter into contracts with third parties. Any recoveries that result from projects or contracts entered into under this paragraph shall be deposited in the state treasury and credited to a special account until the balance in the account reaches \$400,000. When the balance in the account exceeds \$400,000, the excess shall be transferred and credited to the general fund. All money in the account is appropriated to the commissioner for the purposes of this paragraph.

(16) Have the authority to make direct payments to facilities providing shelter to women and their children pursuant to section 256D.05, subdivision 3. Upon the written request of a shelter facility that has been denied payments under section 256.05, subdivision 3, the commissioner shall review all relevant evidence and make a determination within 30 days of the request for review regarding issuance of direct payments to the shelter facility. Failure to act within 30 days shall be considered a determination not to issue direct payments.

(17) *Distribute grants to counties to be used to reduce the backlog in day care licensing applications.*

Sec. 7. [RULES.]

The commissioner of human services may adopt emergency rules and shall adopt permanent rules to implement grants to counties under Minnesota Statutes, section 256.01, subdivision 2, paragraph (17), to be used to reduce the backlog in day care licensing applications.

Sec. 8. Minnesota Statutes 1987 Supplement, section 268.91, subdivision 4, is amended to read:

Subd. 4. [FINANCIAL ELIGIBILITY.] (a) Child care services must be available to families who need child care to find or keep employment or to obtain the training or education necessary to find employment and who:

(1) receive aid to families with dependent children;

(2) have household income below ~~the eligibility levels for aid to families with dependent children~~ 125 percent of the federal poverty level or who meet the requirements of paragraph (b), clause (2); or

(3) have household income within ~~a~~ the range established by the ~~commissioner~~ in paragraph (c).

(b) Child care services for the families receiving aid to families with dependent children must be made available as in-kind services, to cover any difference between the actual cost and the amount disregarded under the aid to families with dependent children program. Child care services to the following families must be made available without cost to the families:

(1) families whose incomes are below the ~~threshold of eligibility for aid to families with dependent children~~ 125 percent of the federal poverty level, but that are not receiving aid to families with dependent children; ~~must be made available without cost to the families; and~~

(2) families headed by a parent under age 21 who is completing requirements for a high school diploma or equivalency degree whose family income is less than 270 percent of the federal poverty level without regard to the income of the parents or siblings of the minor parent.

(c) Child care services to families with incomes in the ~~commissioner's established range between 125 percent and 270 percent of the federal poverty level, except families described in paragraph (b), clause (2),~~ must be made available on a sliding fee basis. ~~The lower limit of the sliding fee range must be the eligibility limit for aid to families with dependent children. The upper limit of the range must be neither less than 70 percent nor more than 90 percent of the state median income for a family of four, adjusted for family size.~~

(d) If a disproportionate amount of the available money is provided to

any one of the groups described in subdivision 4, paragraph (a), the county board shall document to the commissioner the reason the group received a disproportionate share. If a county projects that its child care allocation is insufficient to meet the needs of all eligible groups, it may prioritize among the groups to be served. Counties shall assure that a person receiving child care assistance from the sliding fee program prior to July 1, 1987, continues to receive assistance, providing the person meets all other eligibility criteria. Set-aside money must be prioritized by the state, and counties do not have discretion over the use of this money.

Sec. 9. Minnesota Statutes 1986, section 268.91, is amended by adding a subdivision to read:

Subd. 13. [RULES.] The commissioner of human services shall adopt permanent rules to implement the sliding fee scale program in subdivision 4.

Sec. 10. Minnesota Statutes 1986, section 290.06, is amended by adding a subdivision to read:

Subd. 22. [CONTINUING EDUCATION FOR DAY CARE PROVIDERS.] A credit may be taken against the tax due under this chapter equal to 50 percent of the cost incurred by a taxpayer for tuition and required fees, books, and supplies for a course of study to improve skills as a day care operator. The credit provided in this subdivision is available to an employee of a child day care or residential facility that is licensed under chapter 245A or to an owner or operator of a facility who pays for courses taken by persons employed at the facility. The credit is available for classes in subject areas approved by the commissioner of human services in agency rules. To be certified, a course must provide information or training that is directly related to knowledge and skills necessary to provide day care services.

Sec. 11. Minnesota Statutes 1986, section 290.06, is amended by adding a subdivision to read:

Subd. 23. [EMPLOYERS' DAY CARE FACILITIES.] A taxpayer may take a credit against the tax due under this chapter equal to 50 percent of amounts paid by the taxpayer for qualified employer day care facility costs during the first taxable year. The credit shall be reduced in the following tax years to 40 percent in the second year; 30 percent in the third year; 20 percent in the fourth year; and 10 percent in the fifth year. For purposes of this subdivision, "qualified employer day care facility costs" means the following expenditures made in connection with an employer-provided day care facility:

- (1) the cost of construction, renovation, or remodeling of the facility;*
- (2) the cost of furniture, equipment, materials, and supplies used to provide day care services at the facility; and*
- (3) amounts expended for salaries paid and benefits provided to employees whose primary function is providing day care services at the facility.*

For purposes of this subdivision, "employer-provided day care facility" means a child day care facility that:

- (1) is licensed under chapter 245A;*
- (2) is located either at the site of the employer's business operation or within two miles of that site; and*

(3) is owned by the employer or receives over 75 percent of its annual gross revenues as payments from the employer. A taxpayer may take the credit provided under this subdivision for no more than five taxable years.

Sec. 12. Minnesota Statutes 1986, section 290.06, is amended by adding a subdivision to read:

Subd. 24. [EMPLOYER'S DAY CARE SUBSIDY.] A taxpayer may take a credit against the tax due under this chapter equal to 50 percent of amounts paid by the taxpayer for direct subsidy of individual employees' costs for day care at a home or facility licensed under chapter 245A during the taxable year. The credit shall be reduced in the following tax years to 40 percent in the second year; 30 percent in the third year; 20 percent in the fourth year; and 10 percent in the fifth year. A taxpayer may take a credit under this subdivision for no more than five taxable years.

Sec. 13. Minnesota Statutes 1986, section 297A.25, is amended by adding a subdivision to read:

Subd. 37. [DAY CARE CENTER MATERIALS AND EQUIPMENT.] (a) The gross receipts from the sale or use of all materials and supplies or equipment used or consumed in constructing or incorporated into the construction of a child day care facility licensed under chapter 245A, are exempt, as are other educational facilities. In the case of a day care facility that is located in a private residence, the exemption shall apply to materials, supplies, and equipment purchased for construction of improvements to the residence that are required to meet the state day care facility licensing standards and are used exclusively for the purpose of providing day care services.

(b) The gross receipts from the sale or use of all materials or supplies used or consumed in the process of providing child day care services licensed under chapter 245A are exempt.

Sec. 14. [STUDY OF FUNDING SOURCES.]

The commissioner of human services, in conjunction with the council on children, youth, and families, shall study the existing public and private funding sources for child care services licensed under Minnesota Statutes, chapter 245A, including the AFDC special needs program, the sliding fee child care program, the maternal and child nutrition program, county funding, Title XX funding, and private foundation, corporate, community social services act, or nonprofit funding to child care services providers and parents.

The study shall determine if:

(1) individual funding sources meet existing needs and at what level each source is funded;

(2) the need for subsidized child care services for low-income parents is being met;

(3) present funding mechanisms are efficient or can be made more efficient;

(4) there are alternative or better ways to encourage private funding for child care services;

(5) the funding level has an impact on availability of day care facilities; and

(6) day care reimbursement rates are meeting actual costs for quality

child care.

The commissioner shall report the results of the study, together with any proposed legislation to implement study recommendations, to the legislature by January 1, 1989.

Sec. 15. [APPROPRIATIONS; EFFECT ON REVENUE AND COLLECTIONS.]

Subdivision 1. [APPROPRIATIONS.] (a) \$100,000 is appropriated from the general fund to the commissioner of human services to provide grants to counties under sections 6 and 7 to reduce the backlog of day care licensing applications, to be available until June 30, 1989.

(b) \$3,140,000 is appropriated from the general fund to the commissioner of human services for the child care sliding fee program established in Minnesota Statutes, section 268.91, to be available until June 30, 1989.

(c) \$100,000 is appropriated from the general fund to the commissioner of human services for the office of child care providers assistance established in section 5, to be available until June 30, 1989. The staff complement of the department of human services is increased by three full-time equivalent positions.

Subd. 2. [EFFECT ON REVENUE AND COLLECTIONS.] (a) \$17,500 is the projected annual reduction in the amounts collected through licensing fees under Minnesota Statutes, chapter 245A, the human services licensing act, as a result of section 4.

(b) \$689,018 is the annual decrease in income tax revenues that is projected to result from the day care continuing education tax credit established in section 10.

(c) The income tax credits established in section 11, for employer-operated day care facilities, and section 12, for employee day care subsidies, are not projected to result in a decrease in income tax revenues.

(d) \$308,940 is the annual decrease in sales tax revenues that is projected to result from the exemptions established in section 13 for day care materials, supplies, and equipment.

Sec. 16. [EFFECTIVE DATE.]

Sections 1, 2, 3, and 14 are effective August 1, 1988. Sections 4, 5, 6, 7, 9, and 15 are effective July 1, 1988. Section 8 is effective January 1, 1989. Sections 10, 11, 12, and 13 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to child care; expanding eligibility for child care sliding fee program; providing for reimbursement of child care provider accreditation fees; creating an office of child care providers assistance in the department of human services; increasing the number of certain licensing inspections; requiring a study of day care funding sources; requiring a privately operated child care in capitol complex; exempting construction materials and equipment from sales tax; creating a tuition tax credit; creating an employer tax credit for child care operations; establishing state grants to county government; appropriating money; amending Minnesota Statutes 1986, sections 16B.04, subdivision 2; 16B.39, by adding a subdivision; 268.91, by adding a subdivision; 290.06, by adding subdivisions;

and 297A.25, by adding a subdivision; Minnesota Statutes 1987 Supplement, sections 245A.04, subdivision 4; 245A.09, by adding a subdivision; 256.01, subdivision 2; and 268.91, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 245A."

And when so amended the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Amendments adopted. Report adopted.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 2318: A bill for an act relating to natural resources; recodifying groundwater law; protecting groundwater; providing a cost-share program to protect abandoned wells; identifying fragile groundwater recharge areas; providing fragile groundwater recharge areas may be placed in the conservation reserve program; identification of wells on state property; prohibiting purchase of state land without identifying wells on the property; appropriating money; amending Minnesota Statutes 1986, sections 40.036, by adding a subdivision; 40.42, by adding a subdivision; Minnesota Statutes 1987 Supplement, section 40.43, subdivision 2, and by adding a subdivision; proposing coding for new law as Minnesota Statutes, chapter 105E; repealing Minnesota Statutes 1986, sections 84.57; 84.58; 84.59; 84.60; 84.61; 84.611; 84.62; 84.621, subdivision 1; 156A.02; 156A.03; 156A.031, subdivision 1; 156A.04; 156A.05; 156A.06, subdivision 1; 156A.07, subdivisions 1, 2, 4, 5, 6, 7, 8, and 9; 156A.071; 156A.075; 156A.08; 156A.10; 156A.11; Minnesota Statutes 1987 Supplement, sections 105.416; 105.51; and 469.141.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 1 and 2, delete section 1 and insert:

"Section 1. [105E.01] [GROUNDWATER IS WATER OF THE STATE.]

This chapter is intended to reflect the regulation of groundwater of the state, which is in addition to the regulation of waters of this state under other law. Groundwater is water of the state and subject to the provisions of other law as well as this chapter.

Pages 27 to 30, delete article 2 and insert:

"ARTICLE 2

GROUNDWATER PROTECTION

Section 1. Minnesota Statutes 1986, section 40.036, is amended by adding a subdivision to read:

Subd. 1a. [ABANDONED WELLS.] (a) The state board shall provide cost-sharing funds for sealing abandoned wells and properly abandoning wells that are not subject to the abandonment requirements under article 1 and sections 14 and 15. The cost share contracts must be based on a 75 percent state cost-share for the project.

(b) The abandonment project must be implemented under procedures adopted by the state board that protect groundwater from further contamination from the well. The district board must certify the location of the wells that have been properly sealed with cost-share funds and forward the certification to the state board.

(c) The owner of a well that has been certified as being properly sealed is not liable for contamination of groundwater from the well after the well has been sealed.

Sec. 2. [40.0371] [COST-SHARING CONTRACTS TO SEAL ABANDONED WELLS.]

The board shall establish a program to share the cost of projects to identify and permanently seal abandoned wells. The abandoned wells projects must protect groundwater from pollution. The wells must be abandoned and sealed under article 1 and sections 14 and 15.

Sec. 3. [40.0372] [STATEWIDE ASSESSMENT.]

The board shall assess geographical areas for a potential for groundwater pollution caused by abandoned wells. The assessment must include notice of the program and assessment that is published in newspapers of general circulation and opportunities for persons to report abandoned wells to the district board. Districts having staff trained in groundwater resources must assess areas within their districts, in cooperation with the board. The board shall provide financial and technical assistance to districts for projects that have been assessed as areas with a high potential for groundwater pollution caused by abandoned wells.

Sec. 4. [40.0373] [FINANCIAL AND TECHNICAL ASSISTANCE.]

Subdivision 1. [FINANCIAL ASSISTANCE.] (a) The board must allocate at least 70 percent of available well abandonment cost-sharing funds to districts to share the cost of identifying or properly sealing abandoned wells in high-priority areas. Areas must be selected based on statewide priorities established by the board.

(b) Remaining cost-sharing funds may be allocated to districts for administrative expenses, not exceeding 20 percent of the funds, and sealing wells in lower-priority areas.

Subd. 2. [TECHNICAL ASSISTANCE.] The board may provide technical assistance to districts to efficiently and effectively develop and implement projects.

Sec. 5. [40.0374] [ELIGIBILITY FOR ASSISTANCE.]

Subdivision 1. [GENERALLY.] Only projects that are a part of, or responsive to, a district comprehensive or annual work plan are eligible for the assistance provided in section 4. After July 1, 1991, only projects that are a part of, or responsive to, a local water plan under chapter 110B or section 473.8785 are eligible for the assistance provided in section 4.

Subd. 2. [DOCUMENTS REQUIRED.] To be eligible for the assistance provided in section 4, a district must provide the board with:

- (1) an application prescribed by the board;*
- (2) evidence that the district has consulted the local health department in preparing the application;*
- (3) one of the following documents:*
 - (i) the comprehensive water plan authorized under chapter 110B;*
 - (ii) the county groundwater plan authorized under section 473.8785; or*
 - (iii) the district comprehensive or annual work plan that provides an*

inventory of existing physical and hydrologic information about the area, that provides general identification of water quality problems and goals, and that demonstrates a local commitment to water quality protection or improvement.

Sec. 6. [40.0375] [BOARD REVIEW OF APPLICATIONS.]

Subdivision 1. [RANKING OF APPLICATIONS.] The district boards must rank applications for technical and financial assistance in order of priority and within the limits of available funding and grant applications with the highest priority.

Subd. 2. [RANKING CRITERIA.] The state board must by rule adopt appropriate criteria for the district boards to determine the priority of projects. The criteria used to rank projects must include:

- (1) current use of the affected aquifer or aquifers for water supply;*
- (2) projected water demand;*
- (3) availability of alternate sources of drinking water;*
- (4) proximity of potential contaminant sources;*
- (5) aquifer susceptibility to contamination;*
- (6) current contamination of the wells and the aquifer; and*
- (7) present and anticipated land use in the area.*

Sec. 7. [40.0376] [IMPLEMENTATION.]

Subdivision 1. [CONTRACTS BY DISTRICTS.] A district may contract on a cost-share basis to furnish financial aid to a land occupier to seal abandoned wells. Payment to a land occupier must not be made until the well, or wells, specified in the contract has been properly sealed by a licensed water well contractor.

Subd. 2. [REVIEW BY BOARD.] The board or its designated representative may inspect a project at any reasonable time and must audit the cost-sharing funds expended by the district.

Sec. 8. [40.0377] [RULES FOR COST-SHARING PROGRAM.]

The board, in consultation with the commissioner of the department of health, must adopt rules specifying:

- (1) procedures and criteria for allocating funds to districts for cost-sharing contracts;*
- (2) standards and guidelines for all cost-sharing contracts;*
- (3) scope and content of comprehensive plans, plan amendments, and annual work plans which districts submit under section 40.07, subdivision 9;*
- (4) standards and methods necessary to plan and implement a priority cost-sharing program, including guidelines to identify high-priority areas;*
- (5) the share of the cost of sealing abandoned wells to be paid from cost-sharing funds; and*
- (6) requirements for districts to document their efforts to identify and contact land occupiers in high-priority areas.*

Sec. 9. Minnesota Statutes 1986, section 40.42, is amended by adding

a subdivision to read:

Subd. 4a. [SUSCEPTIBLE GROUNDWATER RECHARGE AREA.] "Susceptible groundwater recharge area" means an area of land where surface water enters the ground and recharges groundwater without adequate percolation to filter out harmful substances that result from land use practices.

Sec. 10. Minnesota Statutes 1987 Supplement, section 40.43, subdivision 2, is amended to read:

Subd. 2. [ELIGIBLE LAND.] (a) Land may be placed in the conservation reserve program if the land:

(1) is marginal agricultural land, or is adjacent to marginal agricultural land and is either beneficial to resource protection or necessary for efficient recording of the land description, or consists of a drained wetland, or is land that with a windbreak would be beneficial to resource protection, or is land consisting of a susceptible groundwater recharge area. Cropland adjacent to the restored wetland may also be enrolled to the extent of up to four acres of cropland for each acre of wetland restored;

(2) was owned by the landowner on January 1, 1985, or was owned by the landowner, or a parent or other blood relative of the landowner, for at least three years before the date of application;

(3) is at least five acres in size, except for a windbreak, or is a whole field as defined by the United States Agricultural Stabilization and Conservation Services;

(4) is not set aside, enrolled or diverted under another federal or state government program; and

(5) was in agricultural crop production for at least two years during the period 1981 to 1985.

(b) The enrolled land of a landowner may not exceed 20 percent of the landowner's total agricultural land acreage in the state, if the landowner owns at least 200 acres of agricultural land as defined by section 500.24, subdivision 2. If a landowner owns less than 200 acres of agricultural land the amount that may be enrolled in the conservation reserve is:

(a) (1) all agricultural land owned, if 20 acres or less; or

(b) (2) if the total agricultural land owned is more than 20 acres but less than 200 acres, 20 acres plus ten percent of the balance of the agricultural land.

(c) In selecting land for enrollment in the program, highest priority must be given to permanent easements that are consistent with the purposes stated in section 40.41.

Sec. 11. Minnesota Statutes 1986, section 40.43, is amended by adding a subdivision to read:

Subd. 2a. [SUSCEPTIBLE GROUNDWATER RECHARGE AREA DESIGNATION.] The board of water and soil resources in cooperation with the commissioner of natural resources shall designate criteria for identifying susceptible groundwater recharge areas by December 31, 1988. A susceptible groundwater recharge area is an area where groundwater would be better protected by a conservation easement than agricultural practices. The board of water and soil resources shall include maps to guide soil and

water conservation districts to where fragile groundwater recharge areas are located.

Sec. 12. Minnesota Statutes 1986, section 40.43, is amended by adding a subdivision to read:

Subd. 8. [CORRECTION OF CONSERVATION EASEMENT BOUNDARY LINES.] To correct errors in legal descriptions for easements obtained that affect the ownership interests in the state and adjacent landowners, the commissioner may, in the name of the state, with the approval of the attorney general, convey, without consideration, interests of the state necessary to correct legal descriptions of boundaries. The conveyance must be by quitclaim deed or release in a form approved by the attorney general.

Sec. 13. [40.435] [LIABILITY AFTER PROTECTION OF SUSCEPTIBLE GROUNDWATER RECHARGE AREA.]

A landowner is not liable for contamination of groundwater through a susceptible groundwater recharge area occurring after a project is implemented if:

(1) the soil and water conservation district adopts a plan protecting the groundwater recharge area;

(2) projects or practices are implemented according to the plan and certified as being implemented by the district;

(3) unlawful practices are not allowed by the landowner on the property subject to the plan; and

(4) after implementation the project and practices are maintained according to the plan.

GROUNDWATER PROTECTION

Sec. 14. [105E.50] [GROUNDWATER DEGRADATION PROHIBITED.]

The state, a state agency, or a person may not allow degradation of groundwater in the state.

Sec. 15. [105E.51] [IDENTIFICATION OF WELLS ON STATE PROPERTY.]

Subdivision 1. [IDENTIFICATION OF WELLS.] The commissioner of natural resources in cooperation with other state agencies must identify the location and status of wells and abandoned wells located on state property.

Subd. 2. [PLAN AND APPROPRIATION REQUEST FOR WELL SEALING.] In each budget year of a biennium, the commissioner must present a plan and an appropriation request to properly seal wells on state property.

Subd. 3. [PROHIBITION ON STATE LAND PURCHASES WITHOUT WELL IDENTIFICATION.] The state may not purchase or sell real property or an interest in real property without identifying the location of all wells in use and abandoned on the property and making provisions to have the wells properly abandoned at the cost of the seller as part of the contract and deed for sale. A transfer of land is void if this subdivision is not complied with.

Sec. 16. [RULES.]

The board of water and soil resources shall adopt rules to implement

sections 1 to 13 by July 1, 1989.

Sec. 17. [APPROPRIATION.]

Subdivision 1. [BOARD OF WATER AND SOIL RESOURCES.] \$4,000,000 is appropriated from the general fund to the board of water and soil resources to be available until June 30, 1990, for:

- (1) cost-share projects for well sealing \$
- (2) conservation easements on susceptible recharge areas \$
- (3) identification of susceptible recharge areas \$

Subd. 2. [DEPARTMENT OF NATURAL RESOURCES.] \$ is appropriated from the general fund to the commissioner of natural resources to identify wells on state property.

Sec. 18. [EFFECTIVE DATE.]

Section 8 is effective the day following final enactment."

Amend the title as follows:

Page 1, line 12, after the semicolon, insert "40.43, by adding subdivisions,"

Page 1, line 13, delete ", and by"

Page 1, line 14, delete "adding a subdivision" and after the semicolon, insert "proposing coding for new law in Minnesota Statutes, chapter 40;"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Purfeerst from the Committee on Transportation, to which was referred

S.F. No. 1886: A bill for an act relating to transportation; authorizing issuance of bonds to establish a fund for loans to purchase highway rights-of-way outside the metropolitan area; providing for acquisition and relocation assistance in cases of hardship to owners of homestead property located in a proposed state highway right-of-way; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 161.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 25, delete "3" and insert "4,"

Page 2, line 1, delete "3" and insert "4"

Page 2, after line 5, insert:

"Subdivision 1. [DEFINITIONS.] (a) For purposes of this section, the following terms have the meanings given them.

(b) "Acquiring authority" means a town, statutory or home rule charter city, or county, located outside the metropolitan area.

(c) "Homestead property" means a single-family dwelling occupied by the owner, and the surrounding land.

(d) "Metropolitan area" has the meaning given it in section 473.121, subdivision 2.

(e) "Salvage value" means the probable sale price of the dwelling and other property that is severable from the land if offered for sale on the condition that it be removed from the land at the buyer's expense, allowing a reasonable time to find a buyer with knowledge of the possible uses of the property, including separate use of serviceable components and scrap when there is no other reasonable prospect of sale."

- Page 2, line 6, delete "Subdivision 1." and insert "Subd. 2."
- Page 2, line 16, delete "3" and insert "4"
- Page 2, line 28, delete "2" and insert "3"
- Page 3, lines 10 and 13, delete "3" and insert "4"
- Page 3, line 17, delete "2" and insert "3"
- Page 3, line 24, delete "1" and insert "2"
- Page 4, line 7, delete "which" and insert "who"
- Page 4, line 8, delete "be" and delete "withheld" and insert "withhold approval"
- Page 4, delete lines 16 to 31
- Page 4, line 32, delete "3" and insert "4"
- Page 4, line 36, delete "4" and insert "5"
- Page 5, line 2, before "section" insert "this" and delete "2"
- Page 5, line 3, delete "4" and insert "5" and delete everything after "On"
- Page 5, line 4, delete "thereafter" and insert "taking title to lands acquired under this section"
- Page 5, line 6, delete "unencumbered balances" and insert "money"
- Page 5, line 8, delete "3" and insert "4" and delete everything after the period and insert "The amount of money transferred must equal the loan amount made available to acquire the lands under this section."
- Page 5, delete lines 9 to 12

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred:

H.F. No. 1761: A bill for an act relating to Mille Lacs county; authorizing sale of certain tax-forfeited land:

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Purfeerst from the Committee on Transportation; to which was referred:

S.F. No. 1517: A bill for an act relating to traffic regulations; providing for allocation of civil fines for motor vehicle maximum weight violations; amending Minnesota Statutes 1986, section 169.871, subdivision 5.

Reports the same back with the recommendation that the bill be amended

as follows:

Page 1, after line 7, insert:

"Section 1. Minnesota Statutes 1986, section 169.871, subdivision 3, is amended to read:

Subd. 3. [APPEARANCES.] Notwithstanding the provisions of section 8.01, county or city attorneys may appear for the commissioner of public safety in civil actions commenced under this section at the request of the attorney general."

Page 1, line 19, strike "In all cases" and insert "Except as provided in paragraph (d)."

Page 1, lines 22 and 23, delete "a county or a municipality within that" and insert "Hennepin"

Page 2, line 2, delete everything after the period

Page 2, delete lines 3 and 4

Page 2, line 6, delete "Section 1 is" and insert "Sections 1 and 2 are"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, delete "subdivision" and insert "subdivisions 3 and"

And when so amended the bill do pass. Mr. Merriam questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 2009: A bill for an act relating to family law; modifying and clarifying provisions for the collection and enforcement of child support; providing for cost-of-living adjustments in spousal maintenance awards; providing for grandparent visitation rights in all family law proceedings; providing for reopening of judgments; providing for custody rights; amending Minnesota Statutes 1986, sections 256.87, subdivisions 1 and 1a; 256.978; 257.022, subdivision 2; 270A.03, subdivision 4; 518.145; 518.156, subdivision 1; 518.17, subdivision 3; 518.171, subdivision 10; 518.175, subdivision 7; 518.551, subdivision 11; 518.552, subdivision 4; 518.611, subdivision 10; 518.64, subdivision 2; and 518.641; Minnesota Statutes 1987 Supplement, section 518.611, subdivision 2.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 1 and 2, delete sections 1 and 2 and insert:

"Section 1. Minnesota Statutes 1986, section 69.62, is amended to read:

69.62 [PENSION PAYMENTS EXEMPT FROM PROCESS.]

No payment made or to be made by any fire department relief association in a city of the first class under the provisions of ~~section~~ sections 69.25 to 69.53 to any member of the pension roll shall be subject to judgment, garnishment, execution, or other legal process, except as provided in section 518.58, 518.581, or 518.611; and. No person entitled to this a payment from a fire department relief association shall have the right to assign the

same, nor shall the association have the authority to recognize any assignment or pay over any sum which has been assigned."

Page 3, line 5, delete "to identify and locate" and insert "regarding"

Page 3, line 6, delete "potentially" and insert "allegedly" and after the period, insert "A request for this information may be made to an employer when there is reasonable cause to believe that the subject of the inquiry is or was employed by the employer where the request is made. The request must include a statement that reasonable cause exists. Information to be released by utility companies is restricted to place of residence. Information to be released by employers is restricted to place of residence, employment status and wage information."

Page 4, after line 6, insert:

"Sec. 5. Minnesota Statutes 1987 Supplement, section 356.80, is amended to read:

356.80 [PROVISION OF INFORMATION IN THE EVENT OF MARRIAGE DISSOLUTION.]

Subdivision 1. [INFORMATION FOR A PENDING MARRIAGE DISSOLUTION.] (a) Upon written request by a person with access to the data under subdivision 3 *who cites this statute*, a public or private pension plan administrator must provide the court and the parties to a marriage dissolution action involving a plan member or former plan member with information regarding pension benefits or rights of the plan member or former plan member. The pension plan shall provide this information upon request of the court or a party to the action without requiring a signed authorization from the plan member or former plan member.

(b) The information must include the pension benefits or rights of the plan member or former plan member as of the first day of the month following the date of the request, ~~as of the first day of the seventh month following the date of the request if the action involves an active plan member,~~ and as of the date of valuation of marital assets under section 518.58, if the person requesting the information specifies that date. The information must ~~also~~ include the accrued service credit of the person, the credited salary of the person for the most current five-year period, a summary of the benefit plan, and any other information relevant to the calculation of the present value of the benefits or rights.

Subd. 2. [INFORMATION FOR AN EXISTING DISSOLUTION DECREE.] If a marriage dissolution decree rendered by a court of competent jurisdiction prior to August 1, 1987, provided a procedure for ~~dividing pension benefits or rights in the form of the distribution of future pension plan payments,~~ upon request the applicable pension plan administrator shall provide on a timely basis to the court and the parties to the action the required information to implement that procedure *without requiring a signed authorization from the plan member or former plan member.*

Subd. 3. [ACCESS TO DATA.] Notwithstanding any provision of chapter 13 to the contrary, ~~a responsible authority~~ *an administrator* may release private or confidential data on individuals to the court, the parties to a marriage dissolution, their attorneys, and an actuary appointed under section 518.582, to the extent necessary to comply with this section.

Sec. 6. Minnesota Statutes 1986, section 383B.51, is amended to read:

383B.51 [NO ASSIGNMENT OR GARNISHMENT.]

The right of a participant who has shares to the credit of the participant's share account record to redeem all or any portion of the shares is a personal right only and shall not be assignable. Legal title to the assets of the Hennepin county supplemental retirement program shall be in the state of Minnesota or the state board of investment or the nominee of either, subject to the rights of the county of Hennepin. Any assignment or attempted assignment of shares to the credit of a participant's share account record by any person is null and void. The shares are exempt from garnishment or levy under attachment or execution and or other legal process, except as provided in section 518.58, 518.581, or 518.611. The shares are also exempt from all taxation by the state of Minnesota.

Sec. 7. Minnesota Statutes 1986, section 423A.16, is amended to read:
423A.16 [EXEMPTION FROM ASSIGNMENTS; PROCESS.]

Notwithstanding any law to the contrary, none of the moneys, annuities, or other benefits provided by any police or salaried firefighters' relief association shall be assignable in law or in equity, nor be subject to execution, levy, attachment, garnishment, or other legal process, except as provided in section 518.58, 518.581, or 518.611.

Sec. 8. Minnesota Statutes 1986, section 424A.02, subdivision 6, is amended to read:

Subd. 6. [PAYMENT OF SERVICE PENSIONS; NONASSIGNABILITY.] The method of calculating service pensions shall be applied uniformly for all years of active service and credit shall be given for all years of active service, except as otherwise provided in this section. No service pension shall be paid to any person while the person remains an active member of the respective fire department, and no person who is receiving a service pension shall be entitled to receive any other benefits from the special fund of the relief association. No service pension or ancillary benefits paid or payable from the special fund of a relief association to any person receiving or entitled to receive a service pension or ancillary benefits shall be subject to garnishment, judgment, execution or other legal process, except as provided in section 518.58, 518.581, or 518.611. No person entitled to a service pension or ancillary benefits from the special fund of a relief association may assign any service pension or ancillary benefit payments, nor shall the association have the authority to recognize any assignment or pay over any sum which has been assigned.

Sec. 9. Minnesota Statutes 1986, section 490.126, is amended by adding a subdivision to read:

Subd. 5. [EXEMPTION FROM PROCESS; NO ASSIGNMENT.] *None of the money, annuities, or other benefits provided in this chapter is assignable either in law or equity or is subject to execution, levy, attachment, garnishment, or other legal process, except as provided in section 518.58, 518.581, or 518.611.*

Page 4, line 33, delete "innenominated" and insert "denominated"

Page 7, line 12, delete "medical support is" and insert "the costs of individual or group health or hospitalization coverage or liabilities established pursuant to section 518.171, subdivision 8, are"

Page 7, line 14, after "Statutes" insert "1986"

Page 7, after line 19, insert:

"Sec. 15. Minnesota Statutes 1987 Supplement, section 518.54, subdivision 10, is amended to read:

Subd. 10. [PUBLIC PENSION PLAN BENEFITS OR RIGHTS.] "Public pension plan benefits or rights" means a benefit or right from a public or private pension plan accrued to the end of the month in which marital assets are valued, as determined under the terms of the laws or other plan document provisions governing the plan, including section 356.30.

Sec. 16. Minnesota Statutes 1986, section 518.54, is amended by adding a subdivision to read:

Subd. 12. [PRIVATE PENSION PLAN.] "Private pension plan" means a plan, fund, or program maintained by an employer or employee organization that provides retirement income to employees or results in a deferral of income by employees for a period extending to the termination of covered employment or beyond."

Page 7, after line 27, insert:

"Sec. 19. Minnesota Statutes 1987 Supplement, section 518.58, subdivision 2, is amended to read:

Subd. 2. [PENSION PLANS.] The division of marital property that represents vested public pension plan benefits or rights in the form of future public pension plan payments:

(1) may not commence until the public plan member submits a valid application for a public pension plan benefit and the benefit becomes payable;

(2) is payable only to the extent of the amount of the public pension plan benefit payable under the terms of the plan;

(3) (2) is not payable for a period that exceeds the time that public pension plan benefits are payable to the public pension plan benefit recipient;

(4) (3) is not payable in a lump sum amount from public pension plan assets attributable in any fashion to a spouse with the status of an active member, deferred retiree, or benefit recipient of a public pension plan; and

(5) (4) if the former spouse to whom the payments are to be made dies prior to the end of the specified payment period with the right to any remaining payments accruing to an estate or to more than one survivor, is payable only to a trustee on behalf of the estate or the group of survivors for subsequent apportionment by the trustee; and

(5) in the case of public pension plan benefits or rights, may not commence until the public plan member submits a valid application for a public pension plan benefit and the benefit becomes payable.

Sec. 20. Minnesota Statutes 1987 Supplement, section 518.581, subdivision 4, is amended to read:

Subd. 4. [DEFINITIONS.] For purposes of this section, the following terms have the meanings given in this subdivision.

(a) "Current or former public employee" or "employee" means an individual who has an interest in a pension plan.

(b) "Surviving spouse benefit" means (1) a benefit a surviving spouse

may be eligible for under the laws and bylaws of the pension plan if the employee dies before retirement, or (2) a benefit selected for or available to a surviving spouse under the laws and bylaws of the pension plan upon the death of the employee after retirement.”

Page 9, line 31, after “terminated” insert “under the terms of the order or decree establishing the obligation”

Page 9, line 36, after “withholding” insert “, unless a hearing has been requested under paragraph (a)”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 8, after the semicolon, insert “clarifying and modifying provisions relating to pension plan rights in marriage dissolutions;”

Page 1, line 9, delete “256.87, subdivisions 1 and 1a” and insert “69.62”

Page 1, line 10, after the second semicolon, insert “383B.51; 423A.16; 424A.02, subdivision 6; 490.126, by adding a subdivision;”

Page 1, delete lines 12 and 13 and insert “3; 518.171, by adding a subdivision; 518.175, by adding a subdivision; 518.551, by adding a subdivision; 518.552, by adding a subdivision; 518.54, by adding a subdivision;”

Page 1, line 15, delete “section” and insert “sections 356.80; 518.54, subdivision 10; 518.58, subdivision 2; 518.581, subdivision 4; and”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

S.F. No. 2226: A bill for an act relating to state government; amending certain provisions governing advisory councils, committees, and task forces; amending Minnesota Statutes 1986, sections 3.922, subdivision 3; 3.9225, subdivision 1; 3.9226, subdivision 1; 6.65; 15.059, subdivision 5; 79.51, subdivision 4; 84B.11, subdivision 1; 85A.02, subdivision 4; 115.54; 116C.59, subdivisions 1, 2, and 4; 116C.839; 121.83; 124.48, subdivision 3; 126.56, subdivision 5; 128A.03, subdivision 3; 135A.05; 136A.02, subdivision 7; 138.97, subdivision 3; 162.02, subdivision 2; 162.09, subdivision 2; 174.031, subdivision 2; 175.008; 182.653, subdivision 4e; 214.141; 248.10, subdivision 2; 254A.035, subdivision 2; 256C.28, subdivision 2; 299F.097; 611A.34, subdivision 1; 611A.71, by adding a subdivision; Minnesota Statutes 1987 Supplement, sections 15.059, subdivision 3 and 6; 16B.20, subdivision 2; 43A.316, subdivision 4; 115A.12, subdivision 1; 116J.971, by adding a subdivision; 120.17, subdivision 11a; 121.934, subdivision 1; 123.935, subdivision 7; 126.665; 129C.10, subdivision 3; 136A.02, subdivision 6; 144.672, subdivision 1; 175.007, subdivision 1; 245.697, subdivision 1; 245.97, subdivision 6; 246.56, subdivision 2; 256.482, subdivision 1; 256.73, subdivision 7; 256B.064, subdivision 1a; 256B.27, subdivision 3; 256B.433, subdivisions 1 and 4; 299A.23, subdivision 2; 299J.06, subdivision 4; repealing Minnesota Statutes 1986, sections 116J.04; 160.80, subdivision 6; 174.031, subdivision 6; 177.28, subdivision 2; 326.66; Minnesota Statutes 1987 Supplement, section 115A.12, subdivision 2.

Reports the same back with the recommendation that the bill be amended

as follows:

Pages 3 and 4, delete section 5

Page 4, line 14, delete "1993" and insert "1989"

Page 10, line 32, after "5" insert a comma

Page 33, line 33, delete "174.031, subdivision 6;"

Page 34, line 1, delete "58" and insert "57"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 18, delete "3 and"

Page 1, line 30, delete "174.031, subdivision 6;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 1668: A bill for an act relating to civil actions; imposing civil liability for the theft of merchandise and shopping carts; proposing coding for new law in Minnesota Statutes, chapter 332.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [332.51] [CIVIL LIABILITY FOR THEFT.]

Subdivision 1. [LIABILITY FOR THEFT OF PROPERTY.] A person who steals personal property from another is civilly liable to the owner of the property for its value when stolen plus punitive damages of either \$50 or up to 100 percent of its value when stolen, whichever is greater.

Subd. 2. [NOTICE.] In order to recover under subdivision 1 for the theft of a shopping cart, a store must have posted at the time of the theft a conspicuous notice describing the liability under subdivision 1.

Subd. 3. [LIABILITY OF PARENT OR GUARDIAN.] The provisions of section 540.18 apply to this section.

Subd. 4. [CRIMINAL ACTION.] The filing of a criminal complaint, conviction, or guilty plea is not a prerequisite to liability under this section. Payment or nonpayment may not be used as evidence in a criminal action.

Subd. 5. [RECOVERY OF PROPERTY.] The recovery of stolen property by a person does not affect liability under this section, other than liability for the value of the property.

Subd. 6. [RIGHT TO DEMAND PAYMENT.] A person may make a written demand for payment for the liability imposed by this section before beginning an action, including a copy of this section and a description of the liability contained in this section."

Amend the title as follows:

Page 1, line 3, delete "merchandise and shopping carts" and insert "property"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 2384: A bill for an act relating to trade practices; providing for payment to farm implement retailer by successor in interest of the manufacturer, wholesaler, or distributor who repurchases stock and inventory; amending Minnesota Statutes 1986, sections 325E.05; and 325E.06, subdivisions 1, 4, and 5, and by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 4, line 27, after the period, insert "*Any contract in force and effect on July 1, 1988, which by its terms will terminate on a date subsequent thereto and which is not renewed is governed by the law as it existed before July 1, 1988.*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 2347: A bill for an act relating to commerce; regulating franchises; modifying the definition of franchise to include certain royalty or residuals agreements; amending Minnesota Statutes 1986, section 80C.01, subdivision 4.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 19, after "seller" insert a stricken period

Page 2, line 22, after "selling" insert "security systems"

Page 2, line 26, underscore the period

Page 3, after line 7, insert:

"Sec. 2. [80C.30] [BURGLAR ALARM FRANCHISES.]

A manufacturer of a burglar alarm product having been sold to a distributor in Minnesota for at least five years may establish itself as a franchisor as provided in this section. Such franchisor may require a distributor to begin paying an annual franchise fee and/or a sign up fee for operations within Minnesota provided the manufacturer gives an existing nonfranchised distributor ten years notice of intent to establish a franchisor/franchisee relationship and grants an automatic extension of the existing distributor contractual arrangement during the notice period. The manufacturer may not establish any business in Minnesota in competition with the distributor during the notice period. A manufacturer terminating an existing burglar alarm distributor contract in Minnesota must wait ten years before opening a distributorship in Minnesota."

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "regulating burglar alarm franchises;"

Page 1, line 5, before the period, insert ".; proposing coding for new law in Minnesota Statutes, chapter 80C"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 2096: A bill for an act relating to commerce; regulating and governing business relations between manufacturers of agricultural equipment and independent retail dealers of those products; proposing coding for new law in Minnesota Statutes, chapter 325E.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 15, after "*balers*," insert "*skid steer balers*,"

Page 1, line 25, after the period, insert "*The term also includes any successor in interest of the farm equipment manufacturer, including any purchaser of assets or stock, any surviving corporation resulting from a merger or liquidation, any receiver or assignee, or any trustee of the original farm equipment manufacturer.*"

Page 2, line 22, after "(1)" insert "*without the consent of the farm equipment manufacturer who shall not withhold consent unreasonably, (a)*"

Page 2, line 23, delete "*without the manufacturer's*"

Page 2, line 24, delete "*consent*" and after "*or*" insert "(b)"

Page 2, line 26, after "*or*" insert "(c)"

Page 2, line 27, delete "*without*"

Page 2, line 28, delete "*the consent of the manufacturer*"

Page 3, line 17, delete "*has consistently failed to*"

Page 3, line 18, delete "*meet the manufacturer's*" and insert "*, after receiving notice from the manufacturer of its*"

Page 3, line 20, after "*areas*" insert "*, consistently fails to meet the manufacturer's market penetration requirements*"

Page 5, after line 3, insert:

"Sec. 7. [325E.067] [APPLICABILITY.]

The provisions of sections 1 to 5 apply to all dealership agreements now in effect which have no expiration date and which are continuing contracts, and all other contracts entered into, amended, or renewed after July 31, 1988. Any contract in force and effect on August 1, 1988, which by its terms will terminate on a date subsequent thereto and which is not renewed is governed by the law as it existed before August 1, 1988."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 1469: A bill for an act relating to education; changing licensing requirements for registered barbers and registered apprentice barbers; amending Minnesota Statutes 1986, sections 154.05; 154.07; 154.09; and 154.18.

Reports the same back with the recommendation that the bill be amended

as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 154.05, is amended to read:

154.05 [WHO MAY RECEIVE CERTIFICATES.]

A person is qualified to receive a certificate of registration to practice barbering:

- (1) Who is qualified under the provisions of section 154.06;
- (2) Who is at least 18 years of age;
- (3) Who is of good moral character and temperate habits and free from any contagious or infectious disease; *and*
- (4) Who has practiced as a registered apprentice for a period of ~~15~~ 12 months under the immediate personal supervision of a registered barber; and
- (5) Who has passed a satisfactory examination conducted by the board of barber examiners to determine fitness to practice barbering.

An applicant for a certificate of registration to practice as a registered barber who fails to pass a satisfactory examination conducted by the board must continue to practice as an apprentice for an additional ~~six~~ two months before being again entitled to take the examination for a registered barber.

Sec. 2. Minnesota Statutes 1986, section 154.07, is amended to read:

154.07 [QUALIFICATION OF STUDENTS IN BARBER SCHOOLS; REQUIREMENTS.]

Subdivision 1. [ADMISSION REQUIREMENTS; COURSE OF INSTRUCTION.] No school of barbering shall be approved by the board of barber examiners unless it requires, as a prerequisite to admission thereto, ten grades of an approved school or its equivalent, as determined by an examination conducted by the state board of education, which shall issue a certificate that the student has passed the required examination, and unless it requires, as a prerequisite to graduation, a course of instruction of not less than 1,500 hours, to be completed within 15 months, of not more than eight hours in any one working day; such course of instruction to include the following subjects: scientific fundamentals for barbering, hygiene, practical study of the hair, skin, muscles, and nerves, structure of the head, face, and neck, elementary chemistry relating to sterilization and antiseptics; diseases of the skin, hair, glands, massaging and manipulating the muscles of the face and neck, haircutting, shaving, and trimming the beard; bleaching, tinting and dyeing the hair, and the chemical straightening of the hair of males.

Subd. 2. [ADDING SCHOOLS.] In considering the establishment of additional schools in the state, the board of barber examiners shall consider the following:

- (a) (1) the total needs for barbers throughout the state;
- (b) (2) the number who are being graduated from the barber schools and available for employment throughout the state;
- (c) (3) the ability of the community to support the proposed school to

insure adequate practice for its students; and

(d) (4) the economic effect of the proposed barber school on the local barber shops in the local community.

The state board of barber examiners shall conduct a hearing for each proposed additional school and notify the Minnesota state department of jobs and training of each such hearing.

Subd. 3. [COSTS; NUMBER OF INSTRUCTORS; HOURS.] It shall be permissible for barber schools and barber colleges teaching the occupation of barbering to make a reasonable charge for materials used and services rendered by students for work done in such schools or colleges by students and there shall be one instructor to every 17 students or minor fraction in excess thereof. Barber colleges and schools shall open at 8:00 a.m. and close at 5:00 p.m.

Subd. 4. [BUILDING REQUIREMENTS.] Each barber school or college shall be conducted and operated in one building, or in connecting buildings, and no barber school or college shall have any department or branch in a building completely separated or removed from the remainder of the barber school or college.

Subd. 5. [OWNER'S REQUIREMENTS.] Any person may own and operate a barber college school who has had ten six years' continuous experience as a barber, provided such person shall first secure from the board an annual permit to do so, keep the same prominently displayed, and before commencing business, file with the secretary of state a bond to the state approved by the attorney general in the sum of \$1,000, conditioned upon the faithful compliance of the barber school with all the provisions herein, and to pay all judgments that may be obtained against the school, or the owners thereof, on account of fraud, misrepresentation, or deceit practiced by them or their agents; provided, that all barber schools or colleges shall keep prominently displayed a substantial sign as barber school or college. All barber schools upon receiving students shall immediately apply to the board for student permits upon blanks for that purpose furnished by the board.

Subd. 6. [OPERATION BY AVTI OR STATE INSTITUTION.] A public area vocational technical school or a state institution may operate a barber school provided it has in its employment a qualified instructor holding a current certificate of registration as a barber instructor and provided that it shall secure from the board of barber examiners an annual permit without payment of fees prescribed by this chapter to do so and shall do so in accordance with the provisions of this chapter and the rules of the board of barber examiners for barber schools but without the requirement to file a performance bond with the secretary of state.

Sec. 3. Minnesota Statutes 1986, section 154.09, is amended to read:

154.09 [EXAMINATIONS, CONDUCT AND SCOPE.]

The board of barber examiners shall conduct examinations of applicants for certificates of registration to practice as registered barbers and registered apprentices not more than four six times each year, at such time and place as the board may determine. An affidavit shall be filed with the board by the proprietor of a barber college or barber school that the student has completed 1,500 hours in a duly approved barber school or barber college in the state.

The examination of applicants for certificates of registration as registered barbers and registered apprentices shall include both a practical demonstration and a written and oral test and embrace the subjects usually taught in schools of barbering approved by the board. *The examination for registered apprentices must also include a practical demonstration.*

Sec. 4. Minnesota Statutes 1986, section 154.18, is amended to read:

154.18 [FEES.]

The fees collected, as required in this chapter, *chapter 214, and the rules of the board of barber examiners*, shall be paid in advance to the secretary of the board of barber examiners. The secretary shall deposit the fees in the state treasury, to be disbursed by the secretary on the order of the chair in payment of expenses lawfully incurred by the board.

The fees to be paid the board of barber examiners required by this chapter, as amended, are:

- (1) for examining applicant and issuing certificate of registration as a registered barber, \$30;
- (2) for renewing certificate of registration as a registered barber, \$10;
- (3) for restoring certificate of registration as a registered barber within one year of expiration, \$15; provided, however, no such restoration fee is required of barbers age 70 or over;
- (4) for examining applicant and issuing a certificate of registration as a registered apprentice, \$17;
- (5) for renewing a certificate of registration as a registered apprentice, \$7;
- (6) for restoring a certificate of registration as a registered apprentice, within one year of expiration, \$10;
- (7) for examining applicant for a teacher's certificate, \$25;
- (8) for issuing a certificate of registration as a registered teacher, \$25;
- (9) for renewing a certificate of registration as a registered teacher, \$25;
- (10) for restoring a certificate of shop registration within 30 days after expiration date, \$10; provided, however, no such restoration fee is required of those age 70 or over and who operates a barbershop as part of the barber's residence;
- (11) for issuing a certificate of registration as an approved barber school, \$100;
- (12) for renewing a certificate of registration as an approved barber school, \$100;
- (13) for issuing a student permit, \$5.

The fees prescribed above for the renewal of certificates of registration as a registered barber and registered apprentice include the assessment made for the Unfair Trade Practice Act and shall be effective for the renewal of the 1968 licenses.

The fee to be paid for issuing an initial certificate of shop registration shall be \$25 and for renewing a certificate of shop registration of a shop within a community on or before June 30 of each year, \$5.

Every barber shop in business on May 20, 1967 shall have the right to continue until June 30, 1967, without the payment of any fees or any other act and shall thereafter apply for renewal of a certificate of shop registration in accordance with the provisions of this chapter, as amended."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Dicklich from the Committee on Public Utilities and Energy, to which was referred

S.F. No. 2244: A bill for an act relating to cable television; exempting certain small cable systems; requiring new franchises to be granted on same terms as original franchise; prohibiting utilities from giving unfair preference to affiliated companies that provide cable television service; amending Minnesota Statutes 1986, sections 238.02, subdivision 3; and 238.08, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 238.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 23, reinstate the stricken "1,000" and delete "2,000"

Page 2, line 2, delete "2,000" and insert "1,000"

Page 2, line 3, reinstate the stricken "1,000" and delete "2,000"

Page 2, line 17, after "1." insert "(a)"

Page 2, lines 19 to 21, delete the new language and insert:

"(b) No municipality shall grant an additional franchise for cable service for an area included in an existing franchise on terms and conditions more favorable or less burdensome than those in the existing franchise pertaining to: (1) the area served; (2) public, educational, or governmental access requirements; or (3) franchise fees. The provisions of this paragraph shall not apply when the area in which the additional franchise is being sought is not actually being served by any existing cable communications company holding a franchise for the area. Nothing in this paragraph prevents a municipality from imposing additional terms and conditions on any additional franchises."

Page 3, line 16, delete "shall" and insert "may"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

H.F. No. 1189: A resolution memorializing the United States Congress to amend the Employment Retirement Security Act to permit the direct regulation of self-insured health care plans.

Reports the same back with the recommendation that the resolution do pass. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 1928: A bill for an act relating to health; establishing a safe drinking water account; prohibiting the use of certain lead pipe and pipe fittings; appropriating money; amending Minnesota Statutes 1986, sections 144.382, subdivision 1, and by adding a subdivision; 326.371; proposing coding for new law in Minnesota Statutes, chapter 144; repealing Minnesota Statutes 1986, section 144.388.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Environment and Natural Resources. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1943 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1943	1722				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1943 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1943 and insert the language after the enacting clause of S.F. No. 1722, the first engrossment; further, delete the title of H.F. No. 1943 and insert the title of S.F. No. 1722, the first engrossment.

And when so amended H.F. No. 1943 will be identical to S.F. No. 1722, and further recommends that H.F. No. 1943 be given its second reading and substituted for S.F. No. 1722, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2109 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2109	1983				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2109 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2109 and insert the language after the enacting clause of S.F. No. 1983, the first engrossment; further, delete the title of H.F. No. 2109 and insert the title of S.F. No. 1983, the first engrossment.

And when so amended H.F. No. 2109 will be identical to S.F. No. 1983, and further recommends that H.F. No. 2109 be given its second reading and substituted for S.F. No. 1983, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1732 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1732		1692			

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2529 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2529		2352			

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1731 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1731		2033			

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1731 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1731 and insert the language after the enacting clause of S.F. No. 2033, the first engrossment; further, delete the title of H.F. No. 1731 and insert the title of S.F. No. 2033, the first engrossment.

And when so amended H.F. No. 1731 will be identical to S.F. No. 2033, and further recommends that H.F. No. 1731 be given its second reading and substituted for S.F. No. 2033, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2254 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2254	2357				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2254 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2254 and insert the language after the enacting clause of S.F. No. 2357; further, delete the title of H.F. No. 2254 and insert the title of S.F. No. 2357.

And when so amended H.F. No. 2254 will be identical to S.F. No. 2357, and further recommends that H.F. No. 2254 be given its second reading and substituted for S.F. No. 2357, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2022 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2022	1936				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2022 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2022 and insert the language after the enacting clause of S.F. No. 1936; further, delete the title of H.F. No. 2022 and insert the title of S.F. No. 1936.

And when so amended H.F. No. 2022 will be identical to S.F. No. 1936,

and further recommends that H.F. No. 2022 be given its second reading and substituted for S.F. No. 1936, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1961 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
		1961	2394		

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1961 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1961 and insert the language after the enacting clause of S.F. No. 2394, the first engrossment; further, delete the title of H.F. No. 1961 and insert the title of S.F. No. 2394, the first engrossment.

And when so amended H.F. No. 1961 will be identical to S.F. No. 2394, and further recommends that H.F. No. 1961 be given its second reading and substituted for S.F. No. 2394, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1831 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1831	1667				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1831 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1831 and insert the language after the enacting clause of S.F. No. 1667, the first engrossment; further, delete the title of H.F. No. 1831 and insert the title of S.F. No. 1667, the first engrossment.

And when so amended H.F. No. 1831 will be identical to S.F. No. 1667, and further recommends that H.F. No. 1831 be given its second reading and substituted for S.F. No. 1667, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2637 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2637	2410				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2637 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2637 and insert the language after the enacting clause of S.F. No. 2410, the first engrossment; further, delete the title of H.F. No. 2637 and insert the title of S.F. No. 2410, the first engrossment.

And when so amended H.F. No. 2637 will be identical to S.F. No. 2410, and further recommends that H.F. No. 2637 be given its second reading and substituted for S.F. No. 2410, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2402 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2402	2192				

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1681 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1681	1532				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1681 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1681 and insert the language after the enacting clause of S.F. No. 1532, the first engrossment; further, delete the title of H.F. No. 1681 and insert the title of S.F. No. 1532, the first engrossment.

And when so amended H.F. No. 1681 will be identical to S.F. No. 1532, and further recommends that H.F. No. 1681 be given its second reading and substituted for S.F. No. 1532, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1904 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1904	1793				

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1844 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1844	2279				

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2508 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2508	2257				

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2358 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2358	2213				

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1589 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1589	1615				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1589 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1589 and insert the language after the enacting clause of S.F. No. 1615, the first engrossment; further, delete the title of H.F. No. 1589 and insert the title of S.F. No. 1615, the first engrossment.

And when so amended H.F. No. 1589 will be identical to S.F. No. 1615, and further recommends that H.F. No. 1589 be given its second reading and substituted for S.F. No. 1615, and that the Senate File be indefinitely

postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1922 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
		1922	2400		

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1922 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1922 and insert the language after the enacting clause of S.F. No. 2400; further, delete the title of H.F. No. 1922 and insert the title of S.F. No. 2400.

And when so amended H.F. No. 1922 will be identical to S.F. No. 2400, and further recommends that H.F. No. 1922 be given its second reading and substituted for S.F. No. 2400, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mrs. Lantry from the Committee on General Legislation and Public Gaming, to which were referred the following appointments as reported in the Journal for February 9, 1988:

CHARITABLE GAMBLING CONTROL BOARD.

Jane A. Elsen

Rita Fassbinder

Louis A. Murray

Rozann Prich

Reports the same back with the recommendation that the appointments be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mrs. Lantry from the Committee on General Legislation and Public Gaming, to which were referred the following appointments as reported in the Journal for February 15, 1988:

BOARD OF THE ARTS

Ludmilla Sahlstrom

David M. Lilly, Jr.

Karen B. Gray

Reports the same back with the recommendation that the appointments be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Chmielewski from the Committee on Employment, to which was referred

S.F. No. 2054: A bill for an act relating to employment; prohibiting employer reprisals against employees who decline to participate in charitable fund drives; proposing coding for new law in Minnesota Statutes, chapter 181.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 12, before the period, insert "*including contributions to the employer itself. "Employer" means any person having one or more employees in Minnesota and includes the state, the University of Minnesota, and any political subdivisions of the state*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Chmielewski from the Committee on Employment, to which was referred

S.F. No. 2235: A bill for an act relating to workers' compensation; regulating the location of certain medical examinations; amending Minnesota Statutes 1987 Supplement, section 176.155, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 15, after "*department*" insert "*or a compensation judge*"

Page 1, line 25, after "*expenses*" insert "*, in advance if requested,*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

S.F. No. 2452: A bill for an act relating to public safety; providing that bomb disposal workers are state employees when disposing of bombs outside the jurisdiction of their municipal employer, for purposes of tort claims

and workers' compensation; amending Minnesota Statutes 1987 Supplement, section 3.732, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 176.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 3, delete "*bomb disposal employees*" and insert "*members of a bomb disposal unit approved by the commissioner of public safety and*"

Page 2, line 19, after "*unit*" insert "*approved by the commissioner of public safety and*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

H.F. No. 521: A bill for an act relating to lake improvement districts; providing for notice of their annual meetings; amending Minnesota Statutes 1986, section 378.545, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 378.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 15, delete the first comma and insert "*and*" and delete "*or*" and insert "*and*" and before the second comma, insert "*wholly or partially within the district*"

Page 1, lines 18 and 19, delete "*to the assessment area*"

Page 2, line 1, delete the second comma and insert "*and city councils of statutory and home rule charter cities wholly or partially within the district, the*"

Page 2, line 2, after "*and*" insert "*the*" and delete "*within*" and insert "*by*"

Page 2, line 3, delete "*of*" and insert "*after*"

Page 2, after line 3, insert:

"Sec. 3. [EFFECTIVE DATE.]

This act is effective June 1, 1988."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 2199: A bill for an act relating to game and fish; adjusting the height of deer stands; amending Minnesota Statutes 1986, section 97B.325.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, delete section 1 and insert:

"Section 1. [REPEALER.]

Minnesota Statutes 1986, section 97B.325, is repealed."

Amend the title as follows:

Page 1, line 2, delete "adjusting" and insert "removing the restriction on"

Page 1, line 3, delete "amending" and insert "repealing"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 2194: A bill for an act relating to environment; prohibiting the sale of certain polyethylene material; requiring rulemaking; providing penalties; creating an advisory task force and providing for its duties; proposing coding for new law in Minnesota Statutes, chapter 325E.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [325E.045] [PURCHASE, SALE, AND USE OF CERTAIN POLYETHYLENE MATERIAL PROHIBITED.]

Subdivision 1. [DEFINITIONS.] The definitions in this subdivision apply to section 1.

(a) "Nondegradable" means not capable of being decomposed by natural biological processes, including exposure to ultraviolet rays of the sun, within five years after the date of disposal.

(b) "Person" means an individual, partnership, corporation, sole proprietorship, association, or other for profit or not for profit organization, including the state and its political subdivisions.

(c) "Polyethylene disposal bag" means a bag made of polyethylene that is used or intended to be used for disposal of mixed municipal solid waste as defined in section 115A.03.

(d) "Polyethylene beverage ring" means a device made of polyethylene that is used or intended to be used to hold beverage bottles or other beverage containers together.

(e) "Public agency" means the state, an office, agency, or institution of the state, a county, statutory or home rule charter city, town, school district, or other special taxing district.

Subd. 2. [USE AND SALE PROHIBITED.] A person may not use, sell, or offer for sale a nondegradable polyethylene beverage ring.

Subd. 3. [GOVERNMENTAL PURCHASE PROHIBITED.] A public agency may not purchase nondegradable polyethylene disposal bags.

Subd. 4. [GOVERNMENTAL USE PROHIBITED.] A public agency may not use nondegradable polyethylene disposal bags.

Sec. 2. [DEGRADABLE PLASTICS TASK FORCE.]

Subdivision 1. [ESTABLISHMENT.] An advisory task force on degradable plastics is established. The task force consists of the commissioners

of agriculture, commerce, and the pollution control agency, the director of the waste management board, the president of the greater Minnesota corporation, the head of the consumer affairs division of the attorney general's office, and two representatives of industry and one retailer appointed by the rural development board. Representatives of other state agencies may also become members of the task force with the approval of a majority of its members.

Subd. 2. [DUTIES.] The task force shall study the feasibility and consequences of requiring industry and consumer products other than items in section 1 be nondegradable.

Subd. 3. [REPORT.] The task force shall report its findings, along with any proposed legislation the task force believes necessary, to the legislature by January 1, 1990, after which the task force expires.

Subd. 4. [ADMINISTRATION AND EXPENSES.] The task force is attached to the rural development board for administrative purposes and the board shall furnish the task force with office space and administrative assistance necessary to fulfill the duties of the task force. Members of the task force shall be paid their expenses under section 15.059.

Sec. 3. [APPROPRIATION.]

§ is appropriated from the general fund to the rural development board for the purposes of section 2, to be available until January 1, 1991.

Sec. 4. [EFFECTIVE DATE.]

Section 1, subdivision 2, is effective January 1, 1989. Section 1, subdivisions 3 and 4, are effective July 1, 1990."

Amend the title as follows:

Page 1, line 3, delete everything after the semicolon

Page 1, line 4, delete everything before "creating"

Page 1, line 5, after the semicolon, insert "appropriating money;"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 2012: A bill for an act relating to human services; authorizing grants for additional semi-independent living services; appropriating money; amending Minnesota Statutes 1986, section 252.275, by adding a subdivision.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 1870: A bill for an act relating to human services; establishing a demonstration project; requiring an evaluation and report; appropriating money.

Reports the same back with the recommendation that the bill do pass

and be re-referred to the Committee on Finance. Report adopted.

Mr. Purfeerst from the Committee on Transportation, to which was referred

S.F. No. 1590: A bill for an act relating to transportation; providing that uniform relocation assistance standards comply with recent amendments to federal law; authorizing commissioner of transportation to accept gifts to department; appropriating gift funds to commissioner; exempting lessees of highway easement property from tax on its use and possession; providing that governmental body may file deed conveying partial parcel of land without current taxes having been paid on whole parcel; repealing conflicting provision related to charges for users of air transportation services provided by the commissioner of transportation; amending Minnesota Statutes 1986, section 161.20, by adding a subdivision; Minnesota Statutes 1987 Supplement, sections 117.52, subdivision 1; 272.01, subdivision 3; and 272.121; repealing Minnesota Statutes 1986, section 360.015, subdivision 20.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 1, delete everything after the first comma

Page 2, line 2, delete "401 to 418,"

Page 2, line 10, strike "either (1)"

Page 2, line 11, delete "August" and insert "July" and strike everything after the second comma

Page 2, after line 26, insert:

"Sec. 3. Minnesota Statutes 1986, section 163.051, is amended to read:

163.051 [COUNTY WHEELAGE TAXES; COLLECTION; DISTRIBUTION; COUNTY ROAD AND BRIDGE LEVIES.]

Subdivision 1. [WHEELAGE TAX AUTHORIZED.] The board of commissioners of each metropolitan county is ~~authorized to~~ shall levy a wheelage tax of \$5 for the year 1972 and each subsequent year thereafter by resolution \$12 on each motor vehicle, except ~~vehicles registered as motorcycles as defined in section 169.01, subdivision 4, motorized bicycles, and farm trucks, and \$6 on each motorcycle, which is kept domiciled in such the county when not in operation~~ and which is subject to annual registration and taxation under chapter 168. The board may provide by resolution for collection of the wheelage tax by county officials or it may request that the tax be collected by the state registrar of motor vehicles, and the state registrar of motor vehicles shall collect such tax on behalf of the county if requested, as provided in subdivision 2.

For purposes of this section, "motor vehicle" has the meaning given it in section 168.011, subdivision 4, but does not include a trailer or semitrailers.

Subd. 2. [COLLECTION OF TAX.] The wheelage tax levied by any metropolitan county, if made collectible by the state registrar of motor vehicles, shall be certified by the county auditor to the registrar not later than August 1 in the year before the calendar year or years for which the tax is levied, and the registrar shall collect ~~such the~~ tax with the motor vehicle taxes on the affected vehicles for such year or years each motor

vehicle for which application for registration is made. Every owner and every operator of such a motor vehicle shall furnish to the registrar all information requested by the registrar. No state motor vehicle tax on any such motor vehicle for any such year shall be received or deemed paid unless the applicable wheelage tax is paid therewith. The proceeds of the wheelage tax levied by any metropolitan county, less any amount retained by the registrar to pay costs of collection of the wheelage tax, shall be paid to the state treasurer and deposited in the state treasury to the credit of the county wheelage tax fund of each metropolitan county.

Subd. 2a. [DISPOSITION OF PROCEEDS OF WHEELAGE TAX; COSTS OF COLLECTION.] Notwithstanding the provisions of any other law, the state registrar of motor vehicles shall deposit the proceeds of the wheelage tax imposed by subdivision 2, to the credit of the county wheelage tax fund of each metropolitan county. The amount necessary to pay the costs of collection of said tax is appropriated from the county wheelage tax fund of each metropolitan county to the state registrar of motor vehicles.

Subd. 3. [DISTRIBUTION OF TAX.] On or before April 1 in 1972 and each subsequent year, the commissioner of finance shall issue a warrant in favor of the treasurer of each metropolitan county for which the registrar has collected a wheelage tax in the amount of such tax then on hand in the county wheelage tax fund. There is hereby appropriated from the county wheelage tax fund each year, to each metropolitan county entitled to payments authorized by this section, sufficient moneys to make such payments.

Subd. 4. [USE OF TAX.] The treasurer of each metropolitan county receiving moneys under subdivision 3 shall deposit such moneys in the county road and bridge fund. The moneys shall be used for purposes authorized by law which are highway purposes within the meaning of the Minnesota Constitution, article 14.

Subd. 5. [EFFECT ON ROAD AND BRIDGE LEVY.] The county auditor of each metropolitan county shall reduce the amount of the property taxes levied pursuant to law in 1973 for collection in 1974, by the board of commissioners of such county for the county road and bridge fund, by the following amount: Anoka county, \$341,750; Carver county, \$86,725; Dakota county, \$386,165; Hennepin county, \$2,728,425; Ramsey county, \$1,276,815; Scott county, \$104,805; Washington county, \$227,220, and shall spread only the balance thereof on the tax rolls for collection in 1972. The county auditor shall also reduce the amount of such taxes levied pursuant to law in 1972 and any subsequent year, for collection in the respective ensuing years, by the amount of wheelage taxes received by the county in the 12 months immediately preceding such levy.

Subd. 6 5. [METROPOLITAN COUNTY.] "Metropolitan county" means any of the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Subd. 7 6. [OFFENSES; PENALTIES; APPLICATION OF OTHER LAWS.] Any owner or operator of a motor vehicle who shall willfully give gives any false information relative to the tax herein authorized in this section to the registrar of motor vehicles or any metropolitan county, or who shall willfully fail fails or refuse refuses to furnish any such information, shall be is guilty of a misdemeanor. Except as otherwise herein provided, the collection and payment of a wheelage tax and all matters relating thereto shall be are subject to all provisions of law relating to collection and payment of motor vehicle taxes so far as applicable."

Page 5, line 16, after the period, insert "Section 3 is effective pursuant to Minnesota Statutes, section 645.023." and delete "3 to 5" and insert "4 to 6"

Re-number the sections in sequence

Amend the title as follows:

Page 1, line 5, after the semicolon, insert "requiring metropolitan counties to levy wheelage taxes; repealing certain mandatory levy requirements;"

Page 1, line 15, after the semicolon, insert "163.051;"

And when so amended the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 2506: A bill for an act relating to family law; regulating child support; proposing coding for new law in Minnesota Statutes, chapter 518.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1987 Supplement, section 518.613, is amended by adding a subdivision to read:

Subd. 5. [WAIVER.] When a court in a county in which this section applies modifies an obligation for child support or maintenance that was determined prior to the effective date of this section, the court shall waive automatic income withholding only if all parties to the proceeding agree to the waiver and the court finds it is in the best interest of the parties and children, if any. The agreement not to withhold may be revoked by a party at any time that the payment is not received within ten days of the due date. Notice of revocation must be served by mail on the other party and on the public authority. The public authority must also be served with a copy of the order establishing the child support or maintenance obligation and an application for child support and maintenance collection services. Upon receipt of the notice of revocation, the public authority shall serve a notice of the court's order requiring the amount of child support or maintenance to be withheld and the provisions of section 518.611 and this section on the obligor's employer or other payor of funds.

Sec. 2. [518.614] [ESCROW ACCOUNT; CHILD SUPPORT; MAINTENANCE OBLIGATION.]

Subdivision 1. [STAY OF SERVICE.] The court shall stay service of the order under section 518.613, subdivision 2, in a county in which that section applies if the obligor establishes a savings account for a sum equal to two months of the monthly child support or maintenance obligation and provides proof of the establishment to the court and the public authority on or before the day of the court hearing determining the obligation. This sum must be held in a financial institution in an interest-bearing account with only the public authority authorized as drawer of funds. Proof of the establishment must include the financial institution name and address, account number, and the amount of deposit.

Subd. 2. [RELEASE OF STAY.] Within three working days of receipt of

notice of default, the public authority shall direct the financial institution to release to the public authority the sum held under this subdivision when the following conditions are met:

(1) the obligor fails to pay the support amount to the obligee or the public authority within ten days of the date it is ordered to be paid;

(2) the obligee transmits a notice of default to the public authority and makes application to the public authority for child support and maintenance collection services. The notice must be verified by the obligee and must contain the title of the action, the court file number, the full name and address of the obligee, the name and last known address of the obligor, the obligor's last known employer or other payor of funds, the date of the first unpaid amount, the date of the last unpaid amount, and the total amount unpaid; and

(3) within three working days of receipt of notice from the obligee, the public authority sends a copy of the notice of default and a notice of intent to implement income withholding by mail to the obligor at the address given. The notice of intent shall state that the order establishing the support or maintenance obligation will be served on the obligor's employer or payor of funds unless within 15 days after the mailing of the notice the obligor requests a hearing on the issue of whether payment was in default as of the date of the notice of default and serves notice of the request for hearing on the public authority and the obligee.

Subd. 3. [DUTIES OF PUBLIC AUTHORITY.] Within three working days of receipt of sums released under subdivision 2, the public authority shall remit to the obligee all amounts not assigned under section 256.74 as current support or maintenance. The public authority shall also serve a copy of the court's order and the provisions of section 518.611 and this section on the obligor's employer or other payor of funds unless within 15 days after mailing of the notice of intent to implement income withholding the obligor requests a hearing on the issue of whether payment was in default as of the date of the notice of default and serves notice of the request for hearing on the public authority and the obligee. The public authority shall instruct the employer or payor of funds pursuant to section 518.611 as to the effective date on which the next support or maintenance payment is due. The withholding process must begin on said date and shall reflect the total credits of principle and interest amounts received from the escrow account.

Subd. 4. [HEARING.] Within 30 days of the date of the notice of default under subdivision 2, clause (2), the court must hold a hearing requested by the obligor. If the court finds that there was a default, the court shall order the immediate withholding of support or maintenance from the obligor's income. If the court finds that there was no default, the court shall order the reestablishment of the escrow account by either the obligee or obligor and continue the stay of income withholding.

Subd. 5. [TERMINATION OF STAY.] When the obligation for support of a child or for spousal maintenance ends under the terms of the order or decree establishing the obligation and the sum held under this section has not otherwise been released, the public authority shall release the sum and interest to the obligor when the following conditions are met:

(1) the obligor transmits a notice of termination to the public authority. The notice shall be verified by the obligor and contain the title of the

action, the court file number, the full name and address of the obligee, specify the event that ends the support or maintenance obligation, the effective date of the termination of support or maintenance obligation, and the applicable provisions of the order or decree that established the support or maintenance obligation;

(2) the public authority sends a copy of the notice of termination to the obligee; and

(3) the obligee fails within 20 days after mailing of the notice under clause (2) to request a hearing on the issue of whether the support or maintenance obligation continues and serve notice of the request for hearing on the obligor and the public authority.

Sec. 3. [REPORT.]

The report of the commissioner pursuant to Laws 1987, chapter 403, article 3, section 94, shall include data on the costs associated with administering the automatic income withholding program and shall separately identify case statistics and costs associated with implementation of the waiver and escrow options.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 and 2 are effective the day following final enactment. Child support and maintenance obligors subject to automatic income withholding on or before the effective date may elect, at any time prior to January 1, 1989, to place money in escrow under section 2 and have the public authority direct the employer or payor of funds to terminate the automatic income withholding process. Parties who are subject to automatic income withholding because support or maintenance was modified on or before the effective date may move the court for a waiver of automatic income withholding under section 1 at any time prior to January 1, 1989."

Delete the title and insert:

"A bill for an act relating to child support; authorizing parties to waive automatic income withholding when there is a child support or maintenance order; providing that a court shall stay service of an automatic withholding order if an obligor establishes an escrow account for payment of child support or maintenance; amending Minnesota Statutes 1987 Supplement, section 518.613, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 518."

And when so amended the bill do pass and be re-referred to the Committee on Judiciary. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 2273: A bill for an act relating to human services; setting forth goals for regional treatment centers in the continuum of mental health services; proposing coding for new law in Minnesota Statutes, chapter 245.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was re-referred

S.F. No. 1463: A bill for an act relating to veterans; requiring the commissioner of veterans affairs to establish a veterans outreach center; establishing a board of directors of the southwestern Minnesota veterans home; authorizing the board to establish a veterans home; providing for the powers and duties of the board and the operation of the center and home; appropriating money; proposing coding for new law in Minnesota Statutes, chapters 196 and 198.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 7, after "*medical*" insert "*, home health,*"

Page 2, line 8, delete "*, or both,*"

Page 2, line 28, delete everything after "(6)" and insert a period

Page 2, delete line 29

Pages 2 to 6, delete sections 2 to 5

Delete the title and insert:

"A bill for an act relating to veterans; requiring the commissioner of veterans affairs to establish a veterans outreach center; proposing coding for new law in Minnesota Statutes, chapter 196."

And when so amended the bill do pass and be re-referred to the Committee on Governmental Operations. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Rule 35, together with the committee report thereon,

S.F. No. 1888: A bill for an act relating to state and local governments; extending the requirement that vendors be paid promptly for goods and services to cover providers of medical and social services; setting a deadline for the resolution of disputed obligations by municipalities; amending Minnesota Statutes 1986, sections 16A.124, subdivisions 1 and 5; and 471.425, subdivisions 1 and 4.

Reports the same back with the recommendation that the report from the Committee on Governmental Operations, shown in the Journal for March 14, 1988, be amended to read:

"the bill be amended and when so amended the bill do pass and be re-referred to the Committee on Finance". Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Rule 35, together with the committee report thereon,

S.F. No. 722: A bill for an act relating to state investments; limiting investments in companies doing business in Northern Ireland; proposing coding for new law in Minnesota Statutes, chapter 11A.

Reports the same back with the recommendation that the report from the Committee on Governmental Operations, shown in the Journal for March 14, 1988, be adopted; that committee recommendation being:

"the bill be amended and when so amended the bill do pass". Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 1769, 2395, 2266, 2402, 2255, 1944, 1972, 1821, 2124, 1762, 2299, 1827, 1934, 2009, 2226, 1668, 2384, 2347, 2096, 1469, 2244, 2054, 2235, 2452, 2199, 2273 and 722 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 1766, 1926, 2056, 1816, 1761, 1189, 1943, 2109, 1732, 2529, 1731, 2254, 2022, 1961, 1831, 2637, 2402, 1681, 1904, 1844, 2508, 2358, 1589, 1922 and 521 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Johnson, D.J. moved that the name of Mr. Dicklich be added as a co-author to S.F. No. 1635. The motion prevailed.

Mr. Vickerman moved that the name of Mr. Brandl be added as a co-author to S.F. No. 2012. The motion prevailed.

Mr. Dicklich moved that the name of Ms. Reichgott be added as a co-author to S.F. No. 2370. The motion prevailed.

Mr. Moe, D.M. moved that the name of Ms. Berglin be added as a co-author to S.F. No. 2486. The motion prevailed.

Mr. Renneke moved that the name of Mr. Morse be added as a co-author to S.F. No. 2041. The motion prevailed.

Mr. Renneke moved that the name of Mr. Morse be added as a co-author to S.F. No. 2042. The motion prevailed.

Mr. Marty moved that H.F. No. 1913 be withdrawn from the Committee on Employment and re-referred to the Committee on Rules and Administration for comparison with S.F. No. 2054, now on General Orders. The motion prevailed.

Mr. Cohen moved that S.F. No. 2277 be withdrawn from the Committee on Education and re-referred to the Committee on Judiciary. The motion prevailed.

CALENDAR

S.F. No. 1607: A bill for an act relating to the city of Minneapolis; providing for the appointment, compensation, and liability of certain city employees and contractors; amending Laws 1969, chapter 937, section 1, subdivision 9, as amended, and 9a; Laws 1980, chapter 607, article 15, section 21; and Laws 1987, chapter 55, section 2.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Metzen	Renneke
Anderson	Decker	Knaak	Moe, D.M.	Schmitz
Beckman	DeCramer	Kroening	Moe, R.D.	Solon
Belanger	Dicklich	Laidig	Morse	Spear
Benson	Diessner	Langseth	Olson	Storm
Berg	Frank	Lantry	Pehler	Stumpf
Berglin	Frederick	Larson	Peterson, D.C.	Vickerman
Bernhagen	Frederickson, D.R.	Lessard	Peterson, R.W.	Waldorf
Bertram	Freeman	Luther	Piper	Wegscheid
Brandl	Gustafson	Marty	Pogemiller	
Chmielewski	Hughes	McQuaid	Purfeerst	
Cohen	Johnson, D.E.	Mehrkens	Ramstad	
Dahl	Johnson, D.J.	Merriam	Reichgott	

So the bill passed and its title was agreed to.

H.F. No. 1740: A bill for an act relating to criminal sexual conduct; clarifying the definition of "consent"; amending Minnesota Statutes 1986, section 609.341, subdivision 4.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Metzen	Renneke
Anderson	Decker	Knaak	Moe, D.M.	Schmitz
Beckman	DeCramer	Kroening	Moe, R.D.	Solon
Belanger	Dicklich	Laidig	Morse	Spear
Benson	Diessner	Langseth	Olson	Storm
Berg	Frank	Lantry	Pehler	Stumpf
Berglin	Frederick	Larson	Peterson, D.C.	Vickerman
Bernhagen	Frederickson, D.R.	Lessard	Peterson, R.W.	Waldorf
Bertram	Freeman	Luther	Piper	Wegscheid
Brandl	Gustafson	Marty	Pogemiller	
Chmielewski	Hughes	McQuaid	Purfeerst	
Cohen	Johnson, D.E.	Mehrkens	Ramstad	
Dahl	Johnson, D.J.	Merriam	Reichgott	

So the bill passed and its title was agreed to.

S.F. No. 1623: A bill for an act relating to natural resources; designating the white-tailed deer as the official state mammal; proposing coding for new law in Minnesota Statutes, chapter 1.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 54 and nays 7, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Gustafson	Lessard	Pogemiller
Anderson	Davis	Hughes	Luther	Ramstad
Beckman	Decker	Johnson, D.E.	Marty	Reichgott
Belanger	DeCramer	Johnson, D.J.	McQuaid	Renneke
Benson	Dicklich	Jude	Mehrkens	Schmitz
Berg	Diessner	Knaak	Merriam	Solon
Berglin	Frank	Kroening	Metzen	Storm
Bernhagen	Frederick	Laidig	Moe, R.D.	Stumpf
Bertram	Frederickson, D.J.	Langseth	Peterson, D.C.	Vickerman
Brandl	Frederickson, D.R.	Lantry	Peterson, R.W.	Wegscheid
Chmielewski	Freeman	Larson	Piper	

Those who voted in the negative were:

Dahl
MorseOlson
Pehler

Purfeerst

Spear

Waldorf

So the bill passed and its title was agreed to.

CONSENT CALENDAR

H.F. No. 2045: A bill for an act relating to state lands; authorizing private sale of tax-forfeited land in St. Louis county.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	Mehrkens	Ramstad
Anderson	Davis	Johnson, D.J.	Merriam	Reichgott
Beckman	Decker	Jude	Metzen	Renneke
Belanger	DeCramer	Knaak	Moe, D.M.	Schmitz
Benson	Dicklich	Kroening	Moe, R.D.	Solon
Berg	Diessner	Laidig	Morse	Spear
Berglin	Frank	Langseth	Olson	Storm
Bernhagen	Frederick	Lantry	Pehler	Stumpf
Bertram	Frederickson, D.J.	Larson	Peterson, D.C.	Vickerman
Brandl	Frederickson, D.R.	Lessard	Peterson, R.W.	Waldorf
Brataas	Freeman	Luther	Piper	Wegscheid
Chmielewski	Gustafson	Marty	Pogemiller	
Cohen	Hughes	McQuaid	Purfeerst	

So the bill passed and its title was agreed to.

S.F. No. 2264: A bill for an act relating to elections; allowing the city of Falcon Heights to consolidate election precincts.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	Mehrkens	Ramstad
Anderson	Davis	Johnson, D.J.	Merriam	Renneke
Beckman	Decker	Jude	Metzen	Schmitz
Belanger	DeCramer	Knaak	Moe, D.M.	Solon
Benson	Dicklich	Kroening	Moe, R.D.	Spear
Berg	Diessner	Laidig	Morse	Storm
Berglin	Frank	Langseth	Olson	Stumpf
Bernhagen	Frederick	Lantry	Pehler	Vickerman
Bertram	Frederickson, D.J.	Larson	Peterson, D.C.	Waldorf
Brandl	Frederickson, D.R.	Lessard	Peterson, R.W.	Wegscheid
Brataas	Freeman	Luther	Piper	
Chmielewski	Gustafson	Marty	Pogemiller	
Cohen	Hughes	McQuaid	Purfeerst	

So the bill passed and its title was agreed to.

S.F. No. 2134: A bill for an act relating to St. Louis county; requiring a polling place at a certain location.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	Mehrkens	Reichgott
Anderson	Davis	Johnson, D.J.	Merriam	Renneke
Beckman	Decker	Jude	Metzen	Samuelson
Belanger	DeCramer	Knaak	Moe, R. D.	Schmitz
Benson	Dicklich	Kroening	Morse	Solon
Berg	Diessner	Laidig	Olson	Spear
Berglin	Frank	Langseth	Pehler	Storm
Bernhagen	Frederick	Lantry	Peterson, D.C.	Stumpf
Bertram	Frederickson, D.J.	Larson	Peterson, R. W.	Vickerman
Brandl	Frederickson, D.R.	Lessard	Piper	Waldorf
Brataas	Freeman	Luther	Pogemiller	Wegscheid
Chmielewski	Gustafson	Marty	Purfeerst	
Cohen	Hughes	McQuaid	Ramstad	

So the bill passed and its title was agreed to.

S.F. No. 1717: A bill for an act relating to natural resources; adding certain land to Jay Cooke State Park in Carlton county.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Merriam	Reichgott
Anderson	Decker	Jude	Metzen	Renneke
Beckman	DeCramer	Knaak	Moe, D.M.	Samuelson
Belanger	Dicklich	Kroening	Moe, R. D.	Schmitz
Benson	Diessner	Laidig	Morse	Spear
Berg	Frank	Langseth	Olson	Storm
Berglin	Frederick	Lantry	Pehler	Stumpf
Bernhagen	Frederickson, D.J.	Larson	Peterson, D.C.	Vickerman
Bertram	Frederickson, D.R.	Lessard	Peterson, R. W.	Waldorf
Brataas	Freeman	Luther	Piper	Wegscheid
Chmielewski	Gustafson	Marty	Pogemiller	
Cohen	Hughes	McQuaid	Purfeerst	
Dahl	Johnson, D.E.	Mehrkens	Ramstad	

So the bill passed and its title was agreed to.

S.F. No. 2358: A bill for an act relating to highways; naming and designating legislative trunk highway No. 299 as Olof Hanson Drive; amending Minnesota Statutes 1986, section 161.14, by adding a subdivision.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.J.	Merriam	Reichgott
Anderson	Davis	Jude	Metzen	Renneke
Beckman	DeCramer	Knaak	Moe, D.M.	Samuelson
Belanger	Dicklich	Kroening	Moe, R. D.	Schmitz
Benson	Diessner	Laidig	Morse	Solon
Berg	Frank	Langseth	Olson	Spear
Berglin	Frederick	Lantry	Pehler	Storm
Bernhagen	Frederickson, D.J.	Larson	Peterson, D.C.	Stumpf
Bertram	Frederickson, D.R.	Lessard	Peterson, R. W.	Vickerman
Brandl	Freeman	Luther	Piper	Waldorf
Brataas	Gustafson	Marty	Pogemiller	Wegscheid
Chmielewski	Hughes	McQuaid	Purfeerst	
Cohen	Johnson, D.E.	Mehrkens	Ramstad	

So the bill passed and its title was agreed to.

S.F. No. 1713: A bill for an act relating to state lands; authorizing private sale of certain tax-forfeited lands in Carlton county.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	Mehrkens	Ramstad
Anderson	Davis	Johnson, D.J.	Merriam	Reichgott
Beckman	Decker	Jude	Metzen	Renneke
Belanger	DeCramer	Knaak	Moe, D.M.	Samuelson
Benson	Dicklich	Kroening	Moe, R.D.	Schmitz
Berg	Diessner	Laidig	Morse	Solon
Berglin	Frank	Langseth	Olson	Spear
Bernhagen	Frederick	Lantry	Pehler	Storm
Bertram	Frederickson, D.J.	Larson	Peterson, D.C.	Stumpf
Brandl	Frederickson, D.R.	Lessard	Peterson, R.W.	Vickerman
Brataas	Freeman	Luther	Piper	Waldorf
Chmielewski	Gustafson	Marty	Pogemiller	Wegscheid
Cohen	Hughes	McQuaid	Purfeerst	

So the bill passed and its title was agreed to.

S.F. No. 2367: A bill for an act relating to natural resources; eliminating a diversion of game and fish license fee money; repealing Laws 1987, chapter 373, section 15.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	Mehrkens	Ramstad
Anderson	Davis	Johnson, D.J.	Merriam	Reichgott
Beckman	Decker	Jude	Metzen	Renneke
Belanger	DeCramer	Knaak	Moe, D.M.	Samuelson
Benson	Dicklich	Kroening	Moe, R.D.	Schmitz
Berg	Diessner	Laidig	Morse	Solon
Berglin	Frank	Langseth	Olson	Spear
Bernhagen	Frederick	Lantry	Pehler	Storm
Bertram	Frederickson, D.J.	Larson	Peterson, D.C.	Stumpf
Brandl	Frederickson, D.R.	Lessard	Peterson, R.W.	Vickerman
Brataas	Freeman	Luther	Piper	Waldorf
Chmielewski	Gustafson	Marty	Pogemiller	Wegscheid
Cohen	Hughes	McQuaid	Purfeerst	

So the bill passed and its title was agreed to.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

Mr. Dicklich introduced—

S.F. No. 2533: A bill for an act relating to state lands; changing how the proceeds of sales of state salt lands should be applied; amending Minnesota Statutes 1986, section 92.05.

Referred to the Committee on Environment and Natural Resources.

Mr. Moe, R.D. introduced—

S.F. No. 2534: A bill for an act relating to education; authorizing school districts to levy to increase access to school buildings by handicapped individuals; amending Minnesota Statutes 1986, section 275.125, by adding a subdivision.

Referred to the Committee on Education.

Mr. Pogemiller introduced—

S.F. No. 2535: A bill for an act relating to income taxation; increasing the credit for certain research and experimental expenditures; amending Minnesota Statutes 1987 Supplement, section 290.068, subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

Mr. Pogemiller introduced—

S.F. No. 2536: A bill for an act relating to income taxation; increasing the credit for certain research and experimental expenditures; amending Minnesota Statutes 1987 Supplement, section 290.068, subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

Mr. Brandl introduced—

S.F. No. 2537: A bill for an act relating to public employment; regulating hearing panels under the veterans preference act; amending Minnesota Statutes 1986, section 197.46.

Referred to the Committee on Veterans.

Messrs. Luther, Wegscheid, Mrs. Lantry and Mr. Hughes introduced—

S.F. No. 2538: A bill for an act relating to metropolitan affairs; authorizing the sale of state bonds to provide funds for the acquisition and betterment of metropolitan regional recreation open space land; appropriating money.

Referred to the Committee on Finance.

Mr. Wegscheid introduced—

S.F. No. 2539: A bill for an act relating to capital improvements; providing funds for improvements at the Minnesota zoological garden; authorizing sale of state bonds; appropriating money.

Referred to the Committee on Finance.

Mr. Chmielewski introduced—

S.F. No. 2540: A bill for an act relating to workers' compensation; regulating workers' compensation insurance; regulating costs for medical and rehabilitation services; limiting attorney fees; providing for the future repeal of certain benefits; appropriating money; amending Minnesota Statutes 1986, sections 621.07; 621.21; 79.01, subdivision 1; 79.074, by adding subdivisions; 176.081, subdivisions 1 and 3; and 176.136, subdivisions 1, 5, and by adding subdivisions; 176.83, by adding a subdivision; 176A.03,

by adding a subdivision; Minnesota Statutes 1987 Supplement, sections 62I.02, subdivision 1; 176.081, subdivision 2; 176.102, subdivisions 2, 4, and 6; and 176.194, subdivision 5, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 62I and 79; repealing Minnesota Statutes 1986, sections 79.50; 79.51; 79.52; 79.53; 79.54; 79.55; 79.56; 79.57; 79.58; 79.59; 79.60; 79.61; 79.62; 176.011, subdivisions 3, 4, 5, 8, 9a, 10, 11, 11a, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, and 26; 176.021, subdivisions 1, 2, 3a, 4, 5, 6, 7, 8, and 9; 176.031; 176.041, subdivisions 2, 3, 5a, and 6; 176.051; 176.061; 176.071; 176.095; 176.101; 176.102, subdivisions 1, 1a, 5, 9, 11, and 11a; 176.104; 176.1041; 176.105; 176.111, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 8a, 9a, 10, 12, 14, 16, 18, and 20; 176.121; 176.132; 176.1321; 176.137; 176.165; 176.181, subdivisions 1, 2, 2a, 4, 5, 6, and 7; 176.183, subdivisions 1, 3, and 4; 176.185, subdivisions 1, 2, 3, 4, 5, 6, 7, 9, and 10; 176.186; 176.201; 176.205; 176.211; 176.215; 176.645; and 176.66; Minnesota Statutes 1987 Supplement, sections 176.011, subdivisions 2 and 9; 176.041, subdivisions 1, 1a, and 4; 176.1011; 176.102, subdivisions 4 and 8; 176.111, subdivisions 15, 17, and 21; 176.135, subdivision 1a; 176.181, subdivision 3; 176.182; 176.183, subdivisions 1a and 2; 176.184; and 176.185, subdivision 5a.

Referred to the Committee on Employment.

Mr. Peterson, R. W. introduced—

S.F. No. 2541: A bill for an act relating to elections; establishing hours when polls will remain open for election to change county seat; amending Minnesota Statutes 1986, section 372.07.

Referred to the Committee on Elections and Ethics.

Mr. Luther introduced—

S.F. No. 2542: A bill for an act proposing an amendment to the Minnesota Constitution, article V, section 3; removing the requirement that notaries public be approved by the senate; amending Minnesota Statutes 1986, section 359.01.

Referred to the Committee on Judiciary.

Mr. Laidig introduced—

S.F. No. 2543: A bill for an act relating to game and fish; regulating shooting preserves; amending Minnesota Statutes 1986, sections 97A.115, subdivisions 1 and 3; and 97A.121, subdivisions 1, 2, 4, 6, and by adding subdivisions; Minnesota Statutes 1987 Supplement, section 97A.121, subdivision 5.

Referred to the Committee on Environment and Natural Resources.

Ms. Peterson, D.C. introduced—

S.F. No. 2544: A bill for an act relating to insurance; accident and health; requiring partial hospitalization program coverage under certain circumstances; proposing coding for new law in Minnesota Statutes, chapters 62A and 62D.

Referred to the Committee on Commerce.

Mr. Luther introduced—

S.F. No. 2545: A bill for an act relating to Hennepin county; authorizing a certain loan agreement with the commissioner of transportation for the development of trunk highway No. 610; appropriating money.

Referred to the Committee on Finance. Mr. Purfeerst questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Ms. Berglin, Mr. Moe, R.D.; Mrs. Lantry, Messrs. Solon and Belanger introduced—

S.F. No. 2546: A resolution memorializing the United States Olympic Committee of state support for the bid for the games of the XXVI Olympiad.

Referred to the Committee on Rules and Administration.

Mr. Langseth introduced—

S.F. No. 2547: A bill for an act relating to motor vehicles; providing for graduated registration tax on passenger automobiles, ambulances, and hearses; amending Minnesota Statutes 1986, section 168.013, subdivision 1a.

Referred to the Committee on Transportation.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:00 noon, Monday, March 21, 1988. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

SEVENTY-SECOND DAY

St. Paul, Minnesota, Monday, March 21, 1988

The Senate met at 12:00 noon and was called to order by the President.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Ralph Johnson.

The roll was called, and the following Senators answered to their names:

Adkins	Davis	Jude	Metzen	Renneke
Anderson	Decker	Knaak	Moe, D.M.	Samuelson
Beckman	DeCramer	Knutson	Moe, R.D.	Schmitz
Belanger	Dicklich	Kroening	Morse	Solon
Benson	Diessner	Laidig	Novak	Spear
Berg	Frank	Langseth	Olson	Storm
Berglin	Frederick	Lantry	Pehler	Stumpf
Bernhagen	Frederickson, D.J.	Larson	Peterson, D.C.	Taylor
Bertram	Frederickson, D.R.	Lessard	Peterson, R.W.	Vickerman
Brandl	Freeman	Luther	Piper	Waldorf
Brataas	Gustafson	Marty	Pogemiller	Wegscheid
Chmielewski	Hughes	McQuaid	Purfeerst	
Cohen	Johnson, D.E.	Mehrkens	Ramstad	
Dahl	Johnson, D.J.	Merriam	Reichgott	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S.F. No. 1772.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 17, 1988

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 1711: A bill for an act relating to Aitkin county; permitting the county to regulate certain public land interests by ordinance.

Senate File No. 1711 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 17, 1988

Mr. Chmielewski moved that the Senate do not concur in the amendments by the House to S.F. No. 1711, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 1779, 1877, 1980, 2372, 1795, 1995, 2038 and 2431.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 17, 1988

FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H.F. No. 1779: A bill for an act relating to agriculture; changing certain licensing requirements of the consolidated food licensing law; amending Minnesota Statutes 1986, section 28A.06.

Referred to the Committee on Agriculture.

H.F. No. 1877: A bill for an act relating to labor; regulating the labor-management committee grant program; amending Minnesota Statutes 1986, sections 179.81, subdivisions 2 and 4; 179.82; 179.83, subdivision 1; 179.84, subdivision 1; and 179.85; repealing Minnesota Statutes 1986, sections 179.83, subdivision 2; and 179.84, subdivision 2.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1732, now on General Orders.

H.F. No. 1980: A bill for an act relating to highways; designating I-90 as AMVETS memorial highway; adding, deleting, and substituting routes on the trunk highway system; amending Minnesota Statutes 1986, section 161.14, by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2344.

H.F. No. 2372: A bill for an act relating to human services; setting forth goals for regional treatment centers in the continuum of mental health services; proposing coding for new law in Minnesota Statutes, chapter 245.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2273, now on General Orders.

H.F. No. 1795: A bill for an act relating to human services; creating a task force to study building code standards for family and group family day care homes; changing building code requirements concerning certain child care facilities; amending Minnesota Statutes 1987 Supplement, sections 16B.61, subdivision 3; and 245A.09, by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1617, now on General Orders.

H.F. No. 1995: A bill for an act relating to state building code; allowing use of double cylinder deadbolt locks in certain instances; amending Minnesota Statutes 1987 Supplement, section 16B.61, subdivision 3.

Referred to the Committee on Economic Development and Housing.

H.F. No. 2038: A bill for an act relating to employment; regulating youth employment programs; requiring that new jobs do not replace existing jobs; providing for compensation at the state or federal minimum wage; regulating employment contracts; authorizing the department of jobs and training to buy real estate and locate offices in Minneapolis; amending Minnesota Statutes 1986, sections 268.31, 268.32, and 268.34; proposing coding for new law in Minnesota Statutes, chapter 268.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2039, now on General Orders.

H.F. No. 2431: A bill for an act relating to the St. Paul police relief association and the St. Paul fire department relief association; providing for the inclusion of retired members on the boards of directors of the relief associations.

Referred to the Committee on Governmental Operations.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Pehler from the Committee on Education, to which was referred

S.F. No. 2095: A bill for an act relating to education; establishing the amount of the formula allowance for general education revenue for fiscal year 1990; amending Minnesota Statutes 1987 Supplement, section 124A.22, subdivision 2.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

GENERAL EDUCATION REVENUE

Section 1. Minnesota Statutes 1986, section 124.214, subdivision 2, is amended to read:

Subd. 2. [ABATEMENTS.] Whenever by virtue of chapter 278, sections 270.07, 375.192, or otherwise, the assessed valuation of any school district for any taxable year is changed after the taxes for that year have been spread by the county auditor and the mill rate as determined by the county auditor based upon the original assessed valuation is applied upon the changed

valuations, the county auditor shall, prior to February 1 of each year, certify to the commissioner of education the amount of any resulting net revenue loss that accrued to the school district during the preceding year. ~~In August of Each year,~~ the commissioner shall pay an abatement adjustment to the district in an amount calculated according to the provisions of this subdivision. This amount shall be deducted from the amount of the levy authorized by section 275.48. The abatement adjustment shall be recognized as revenue in the fiscal year in which it is received. The amount of the abatement adjustment shall be the product of:

- (1) the net revenue loss as certified by the county auditor, times
- (2) the ratio of:

(a) the sum of the amounts of the district's certified levy in the preceding October according to the following:

(i) ~~sections 124A.03, subdivision 1, 124A.06, subdivision 3a, and 124A.08, subdivision 3a, section 124A.23~~ if the district is entitled to basic foundation receives general education aid according to that section 124A.02;

(ii) ~~section 124A.10, subdivision 3a,~~ if the district is entitled to third tier aid according to section 124A.10, subdivision 4;

(iii) ~~sections 124A.12, subdivision 3a, and 124A.14, subdivision 5a,~~ if the district is eligible for fourth tier aid according to section 124A.12, subdivision 4;

(iv) ~~sections 124A.03, subdivision 4, and 275.125, subdivision 2j,~~ if the district is entitled to summer school aid according to section 124.201; and

(v) ~~(ii) section 275.125, subdivisions 5 and 5c,~~ if the district is entitled to receives transportation aid according to section 124.225, subdivision 8a;

(b) to the total amount of the district's certified levy in the preceding October pursuant according to sections 124A.03, ~~124A.06, subdivision 3a, 124A.08, subdivision 3a, 124A.10, subdivision 3a, 124A.12, subdivision 3a, 124A.14, subdivision 5a~~ 124A.23, and 275.125, plus or minus auditor's adjustments.

Sec. 2. Minnesota Statutes 1987 Supplement, section 124.214, subdivision 3, is amended to read:

Subd. 3. [EXCESS TAX INCREMENT.] If a return of excess tax increment is made to a school district pursuant to section 469.176, subdivision 2, or upon decertification of a tax increment district, the school district's aid entitlements and levy limitations must be adjusted for the fiscal year in which the excess tax increment is paid under the provisions of this subdivision.

(a) An amount must be subtracted from the school district's aid for the current fiscal year equal to the product of:

(1) the amount of the payment of excess tax increment to the school district, times

(2) the ratio of:

(A) the sum of the amounts of the school district's certified levy for the fiscal year in which the excess tax increment is paid according to the

following:

(i) sections 124A.03, subdivision 1, 124A.06, subdivision 3a, and 124A.08, subdivision 3a, section 124A.23 if the school district is entitled to basic foundation receives general education aid according to that section 124A.02;

(ii) sections 124A.10, subdivision 3a, and 124A.20, subdivision 2, if the school district is entitled to third-tier aid according to section 124A.10, subdivision 4;

(iii) sections 124A.12, subdivision 3a, and 124A.14, subdivision 5a, if the school district is eligible for fourth-tier aid according to section 124A.12, subdivision 4;

(iv) section 124A.03, subdivision 4, if the school district is entitled to summer school aid according to section 124.201; and

(v) (ii) section 275.125, subdivisions 5 and 5c, if the school district is entitled to receives transportation aid according to section 124.225, subdivision 8a;

(B) to the total amount of the school district's certified levy for the fiscal year pursuant according to sections 124A.03, 124A.06, subdivision 3a, 124A.08, subdivision 3a, 124A.10, subdivision 3a, 124A.12, subdivision 3a, 124A.14, subdivision 5a, 124A.20, subdivision 2 124A.23, and 275.125, plus or minus auditor's adjustments.

(b) An amount must be subtracted from the school district's levy limitation for the next levy certified equal to the difference between:

- (1) the amount of the distribution of excess increment, and
- (2) the amount subtracted from aid pursuant to clause (a).

If the aid and levy reductions required by this subdivision cannot be made to the aid for the fiscal year specified or to the levy specified, the reductions must be made from aid for subsequent fiscal years, and from subsequent levies. The school district shall use the payment of excess tax increment to replace the aid and levy revenue reduced under this subdivision.

This subdivision applies only to the total amount of excess increments received by a school district for a calendar year that exceeds \$25,000.

Sec. 3. Minnesota Statutes 1987 Supplement, section 124A.22, subdivision 2, is amended to read:

Subd. 2. [BASIC REVENUE.] The basic revenue for each district equals the formula allowance times the actual pupil units for the school year. The formula allowance is \$2,735 for the 1988-1989 school year. The formula allowance is \$2,790 for fiscal year 1990.

Sec. 4. Minnesota Statutes 1987 Supplement, section 124A.23, subdivision 1, is amended to read:

Subdivision 1. [GENERAL EDUCATION MILL RATE.] The commissioner of revenue shall establish the general education mill rate and certify it to the commissioner of education by August 1 of each year for levies payable in the following year. The general education mill rate shall be a rate, rounded up to the nearest tenth of a mill, that, when applied to the adjusted assessed valuation for all districts, raises the amount specified in this subdivision. The general education mill rate for the 1989 1990 fiscal

year shall be the rate that raises ~~\$1,079,000,000~~ \$1,100,580,000. The general education mill rate certified by the commissioner of revenue ~~must~~ *may* not be changed due to changes or corrections made to a district's adjusted assessed valuation after the mill rate has been certified.

Sec. 5. Minnesota Statutes 1987 Supplement, section 124A.23, subdivision 5, is amended to read:

Subd. 5. [USES OF REVENUE.] (a) General education revenue may be used during the regular school year and the summer for general and special school purposes.

(b) *General education revenue may not be used:*

(1) *for premiums for motor vehicle insurance protecting against injuries or damages arising from the operation of district-owned, leased, or controlled vehicles to transport pupils for which state aid is authorized under section 124.223; or*

(2) *for any purpose for which the district may levy according to section 275.125, subdivision 5e.*

Sec. 6. Minnesota Statutes 1987 Supplement, section 124A.28, subdivision 1, is amended to read:

Subdivision 1. [USE OF THE REVENUE.] The compensatory education revenue under section 124A.22, subdivision 3, may be used only to meet the ~~special~~ educational needs of pupils whose educational achievement is below the level that is appropriate for pupils of their age. These needs may be met by providing at least some of the following:

(1) remedial instruction in reading, language arts, and mathematics to improve the achievement level of these pupils;

(2) additional teachers and teacher aides to provide more individualized instruction to these pupils;

(3) summer programs that enable these pupils to improve their achievement or that reemphasize material taught during the regular school year;

(4) in-service education for teachers, teacher aides, principals, and other personnel to improve their ability to recognize these pupils and provide appropriate responses to the pupils' needs;

(5) for instruction of these pupils, textbooks, workbooks, periodicals, pamphlets, photographs, reproductions, filmstrips, prepared slides, prerecorded video programs, sound recordings, desk charts, games, study prints and pictures, desk maps, models, learning kits, blocks and cubes, flashcards, instructional computer software programs, pencils, pens, crayons, notebooks, duplicating fluids, and papers;

(6) programs to reduce truancy, encourage completion of high school, enhance self-concept, provide health services, provide nutrition services, provide a safe and secure learning environment, provide coordination for pupils receiving services from other governmental agencies, provide psychological services to determine the level of social, emotional, cognitive, and intellectual development, and provide counseling services, guidance services, and social work services; and

(7) bilingual programs, bicultural programs, and programs for pupils of limited English proficiency.

Sec. 7. [COST OF LIVING STUDY.]

The legislative audit commission is encouraged to direct the legislative auditor to conduct a study of the differences among the costs of living in communities throughout the state and the effect that these differences have on educational expenditures by school districts. The study shall include an analysis of at least the following factors: food, housing, real estate taxes, utilities, transportation, medical costs, median income of families, median home values, median rental costs, and median monthly salaries for representative occupations.

Sec. 8. [REPEALER.]

Notwithstanding any law enacted in 1988 that amends Minnesota Statutes 1987 Supplement, section 124A.27, subdivision 10, Minnesota Statutes 1987 Supplement, section 124A.27, subdivision 10, is repealed.

ARTICLE 2

TRANSPORTATION

Section 1. Minnesota Statutes 1987 Supplement, section 124.225, subdivision 8a, is amended to read:

Subd. 8a. [AID.] (a) ~~For the 1986-1987 and 1987-1988 school years, a district's transportation aid shall equal the sum of its basic transportation aid pursuant to subdivision 8b, its nonregular transportation aid pursuant to subdivision 8i, and its nonregular transportation levy equalization aid pursuant to subdivision 8j, minus its contracted services aid reduction pursuant to subdivision 8k, minus the amount raised by 2.25 mills times the adjusted assessed valuation which is used to compute the transportation levy limitation for the levy attributable to that school year. A district may levy less than the amount raised by 2.25 mills. Transportation aid shall be computed as if the district had levied the amount raised by 2.25 mills.~~

(b) For the 1988-1989 school year and thereafter, a district's transportation aid is equal to the sum of its basic transportation aid under subdivision 8b, its nonregular transportation aid under subdivision 8i, and its nonregular transportation levy equalization aid under subdivision 8j, minus its contracted services aid reduction under subdivision 8k, and minus its basic transportation levy limitation for the levy attributable to that school year under section 275.125, subdivision 5.

(c) (b) If the total appropriation for transportation aid for any fiscal year is insufficient to pay all districts the full amount of aid earned, the department of education shall reduce each district's aid in proportion to the number of resident pupils in average daily membership in the district to the state total average daily membership, and shall reduce the ~~aid entitlement transportation levy~~ of off-formula districts in the same proportion.

Sec. 2. Minnesota Statutes 1987 Supplement, section 275.125, subdivision 5, is amended to read:

Subd. 5. [BASIC TRANSPORTATION LEVY.] Each year, a school district may levy for school transportation services an amount not to exceed the amount raised by the basic transportation mill rate times the adjusted assessed valuation of the district for the preceding year. The commissioner of revenue shall establish the basic transportation mill rate and certify it to the commissioner of education by August 1 of each year for levies payable in the following year. The basic transportation mill rate shall be a rate,

rounded up to the nearest hundredth of a mill, that, when applied to the adjusted assessed valuation of taxable property for all districts, raises the amount specified in this subdivision. The basic transportation mill rate for the 1987 payable 1988 levies and for transportation aid for the 1988-1989 school 1990 fiscal year shall be the rate that raises \$71,256,100 \$72,681,200. The basic transportation mill rate certified by the commissioner of revenue must may not be changed due to changes or corrections made to a district's adjusted assessed valuation after the mill rate has been certified.

Sec. 3. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] There are appropriated from the general fund to the department of education the sums indicated in this section for the fiscal year ending June 30 in the year designated.

Subd. 2. [TRANSPORTATION AID FOR OPEN ENROLLMENT.] For transportation of pupils attending nonresident districts according to Minnesota Statutes 1987 Supplement, section 123.3515, or article 6, section 1, there is appropriated:

\$50,000 1988.

Any unexpended balance remaining in fiscal year 1988 does not cancel but is available for fiscal year 1989.

ARTICLE 3

SPECIAL PROGRAMS

Section 1. Minnesota Statutes 1987 Supplement, section 120.17, subdivision 3b, is amended to read:

Subd. 3b. [PROCEDURES FOR DECISIONS.] Every district shall utilize at least the following procedures for decisions involving identification, assessment, and educational placement of handicapped children:

(a) Parents and guardians shall receive prior written notice of:

(1) any proposed formal educational assessment or proposed denial of a formal educational assessment of their child;

(2) a proposed placement of their child in, transfer from or to, or denial of placement in a special education program; or

(3) the proposed provision, addition, denial or removal of special education services for their child;

(b) The district shall not proceed with the initial formal assessment of a child, the initial placement of a child in a special education program, or the initial provision of special education services for a child without the prior written consent of the child's parent or guardian. The refusal of a parent or guardian to consent may be overridden by the decision in a hearing held pursuant to clause (d) at the district's initiative;

(c) Parents and guardians shall have an opportunity to meet with appropriate district staff in at least one conciliation conference if they object to any proposal of which they are notified pursuant to clause (a). The conciliation process shall not be used to deny or delay a parent or guardian's right to a due process hearing. If the parent or guardian refuses efforts by the district to conciliate the dispute with the school district, the requirement of an opportunity for conciliation shall be deemed to be satisfied;

(d) Parents, guardians, and the district shall have an opportunity to obtain

an impartial due process hearing initiated and conducted in the school district where the child resides, if the parent or guardian continues to object to:

- (1) a proposed formal educational assessment or proposed denial of a formal educational assessment of their child;
- (2) the proposed placement of their child in, or transfer of their child to a special education program;
- (3) the proposed denial of placement of their child in a special education program or the transfer of their child from a special education program;
- (4) the proposed provision or addition of special education services for their child; or
- (5) the proposed denial or removal of special education services for their child.

At least five calendar days before the hearing, the objecting party shall provide the other party with a brief written statement of the objection and the reasons for the objection.

The hearing shall take place before an impartial hearing officer mutually agreed to by the school board and the parent or guardian. If the school board and the parent or guardian are unable to agree on a hearing officer, the school board shall request the commissioner to appoint a hearing officer. The hearing officer shall not be a school board member or employee of the school district where the child resides or of the child's school district of residence, an employee of any other public agency involved in the education or care of the child, or any person with a personal or professional interest which would conflict with the person's objectivity at the hearing. A person who otherwise qualifies as a hearing officer is not an employee of the district solely because the person is paid by the district to serve as a hearing officer. If the hearing officer requests an independent educational assessment of a child, the cost of the assessment shall be at district expense. The proceedings shall be recorded and preserved, at the expense of the school district, pending ultimate disposition of the action.

(e) The decision of the hearing officer pursuant to clause (d) shall be rendered not more than 45 calendar days from the date of the receipt of the request for the hearing. A hearing officer may grant specific extensions of time beyond the 45-day period at the request of either party. The decision of the hearing officer shall be binding on all parties unless appealed to the hearing review officer by the parent, guardian, or the school board of the district where the child resides pursuant to clause (f).

The local decision shall:

- (1) be in writing;
- (2) state the controlling facts upon which the decision is made in sufficient detail to apprise the parties and the hearing review officer of the basis and reason for the decision;
- (3) state whether the special education program or special education services appropriate to the child's needs can be reasonably provided within the resources available to the responsible district or districts;
- (4) state the amount and source of any additional district expenditure necessary to implement the decision; and

(5) be based on the standards set forth in subdivision 3a and the rules of the state board.

(f) Any local decision issued pursuant to clauses (d) and (e) may be appealed to the hearing review officer within ~~15~~ 30 calendar days of receipt of that written decision, by the parent, guardian, or the school board of the district where the child resides.

If the decision is appealed, a written transcript of the hearing shall be made by the school district and shall be accessible to the parties involved within five calendar days of the filing of the appeal. The hearing review officer shall issue a final decision based on an impartial review of the local decision and the entire record within 30 calendar days after the filing of the appeal. The hearing review officer shall seek additional evidence if necessary and may afford the parties an opportunity for written or oral argument; provided any hearing held to seek additional evidence shall be an impartial due process hearing but shall be deemed not to be a contested case hearing for purposes of chapter 14. The hearing review officer may grant specific extensions of time beyond the 30-day period at the request of any party.

The final decision shall:

- (1) be in writing;
- (2) include findings and conclusions; and
- (3) be based upon the standards set forth in subdivision 3a and in the rules of the state board.

(g) The decision of the hearing review officer shall be final unless appealed by the parent or guardian or school board to the court of appeals. The judicial review shall be in accordance with chapter 14.

(h) The commissioner of education, having delegated general supervision of special education to the appropriate staff, shall be the hearing review officer except for appeals in which:

- (1) the commissioner has a personal interest in or specific involvement with the student who is a party to the hearing;
- (2) the commissioner has been employed as an administrator by the district that is a party to the hearing;
- (3) the commissioner has been involved in the selection of the administrators of the district that is a party to the hearing;
- (4) the commissioner has a personal, economic, or professional interest in the outcome of the hearing other than the proper administration of the federal and state laws, rules, and policies;
- (5) the appeal challenges a state or local policy which was developed with substantial involvement of the commissioner; or
- (6) the appeal challenges the actions of a department employee or official.

For any appeal to which the above exceptions apply, the state board of education shall name an impartial and competent hearing review officer.

In all appeals, the parent or guardian of the handicapped student or the district that is a party to the hearing may challenge the impartiality or competence of the proposed hearing review officer by applying to the state board of education.

(i) Pending the completion of proceedings pursuant to this subdivision, unless the district and the parent or guardian of the child agree otherwise, the child shall remain in the child's current educational placement and shall not be denied initial admission to school.

(j) The child's school district of residence, if different from the district where the child actually resides, shall receive notice of and may be a party to any hearings or appeals pursuant to this subdivision.

Sec. 2. Minnesota Statutes 1987 Supplement, section 124.17, subdivision 1, is amended to read:

Subdivision 1. [PUPIL UNIT.] Pupil units for each resident pupil in average daily membership shall be counted according to this subdivision.

(a) A handicapped prekindergarten pupil who is enrolled for the entire ~~school~~ fiscal year in a program approved by the commissioner and has an individual education plan that requires up to 437 hours of assessment and education services in the ~~school~~ fiscal year is counted as one-half of a pupil unit. If the plan requires more than 437 hours of assessment and education services, the pupil is counted as the ratio of the number of hours of assessment and education service to 875, but not more than one.

(b) A handicapped prekindergarten pupil who is enrolled for less than the entire ~~school~~ fiscal year in a program approved by the commissioner is counted as the greater of (1) one-half times the ratio of the number of instructional days from the date the pupil is enrolled to the date the pupil withdraws to the number of instructional days in the school year, or (2) the ratio of the number of hours of assessment and education service required in the ~~school~~ fiscal year by the pupil's individual education program plan to 875, but not more than one.

(c) A prekindergarten pupil who is assessed but determined not to be handicapped is counted as the ratio of the number of hours of assessment service to 875.

(d) A handicapped kindergarten pupil who is enrolled in a program approved by the commissioner is counted as the ratio of the number of hours of assessment and education services required in the ~~school~~ fiscal year by the pupil's individual education program plan to 875, but not more than one.

(e) A kindergarten pupil who is not included in paragraph (d) is counted as one-half of a pupil unit.

(f) A pupil who is in any of grades one to six is counted as one pupil unit.

(g) ~~For the 1987-1988 school year, a pupil who is in any of grades seven to 12 is counted as 1.4 pupil units. For the 1988-1989 and later school years, a pupil who is in any of grades seven to 12 is counted as 1.35 pupil units.~~

Sec. 3. Minnesota Statutes 1986, section 124.48, subdivision 2, is amended to read:

Subd. 2. [REPORT TO LEGISLATURE.] By December 1 of each even-numbered year, the state board of education shall report to the education committees of the legislature about the status of Indian scholarships ~~and the~~, recipients, ~~and the status of academic programs and student services~~

for American Indian people in post-secondary institutions that enroll recipients of American Indian scholarships.

Sec. 4. Minnesota Statutes 1986, section 126.45, is amended to read:
126.45 [CITATION.]

Sections 126.45 to 126.55 may be cited as the American Indian language and culture education act of 1988.

Sec. 5. Minnesota Statutes 1986, section 126.46, is amended to read:
126.46 [DECLARATION OF POLICY.]

The legislature finds that a more adequate education is needed for American Indian pupils people in the state of Minnesota. The legislature recognizes the unique educational and culturally-related academic needs of American Indian people. The legislature also is concerned about the lack of American Indian teachers in the state. Therefore, pursuant to the policy of the state to ensure equal educational opportunity to every individual, it is the purpose of sections 126.45 to 126.55 to provide for the establishment of American Indian language and culture education programs specially designed to meet these unique educational or culturally-related academic needs or both.

Sec. 6. Minnesota Statutes 1986, section 126.47, is amended to read:
126.47 [DEFINITIONS.]

Subdivision 1. For the purposes of sections 126.45 to 126.55, the words, phrases, and terms defined in this section shall have the meanings given to them.

Subd. 2. "American Indian child" means:

(1) any child, living on or off a reservation, who is enrolled or eligible for enrollment in a federally recognized tribe; or

(2) any child who is of one-fourth or more Indian ancestry.

Subd. 3. "Advisory task force" means the state advisory task force on American Indian language and culture education programs.

Subd. 4. "Participating school" means any nonsectarian nonpublic, tribal, or alternative school offering a curriculum reflective of American Indian culture which is funded by and participates in the programs in sections 126.45 to 126.55 and "American Indian school" mean a school that:

(1) is not operated by a school district; and

(2) is eligible for a grant under Title IV of the Indian Education Act for the education of American Indian children.

Participation in the American Indian language and culture program may primarily be by American Indian children.

Sec. 7. Minnesota Statutes 1986, section 126.49, subdivision 1, is amended to read:

Subdivision 1. [AMERICAN INDIAN LANGUAGE AND CULTURE EDUCATION LICENSES.] The board of teaching shall grant initial and continuing teaching licenses in American Indian language and culture education that bear the same duration as other initial and continuing licenses. The board shall grant licenses to persons who present satisfactory evidence

that they:

(a) Possess competence in an American Indian language or possess unique qualifications relative to or knowledge and understanding of American Indian history and culture; or

(b) Possess a bachelor's degree or other academic degree approved by the board or meet such requirements as to course of study and training as the board may prescribe, or possess such relevant experience as the board may prescribe.

This evidence may be presented by affidavits, resolutions, or by such other methods as the board may prescribe. Individuals may present applications for licensure on their own behalf or these applications may be submitted by the superintendent or other authorized official of a school district or a nonsectarian nonpublic, tribal, or alternative school offering a curriculum reflective of, participating school, or an American Indian culture school.

Sec. 8. [126.501] [RECRUITING AND RETAINING INDIAN TEACHERS.]

This section applies to a school board of a school district in which there are at least ten American Indian children enrolled. The school board shall actively recruit teacher applicants who are American Indian. Notwithstanding section 125.12, subdivisions 4, 6a, or 6b, 125.17, subdivisions 3 and 11, any other law to the contrary, or any provision of a contract entered into after April 15, 1988, to the contrary, when placing a teacher on unrequested leave of absence, the board may retain a probationary teacher or a teacher with less seniority in order to retain an American Indian teacher.

Sec. 9. Minnesota Statutes 1986, section 126.51, subdivision 1, is amended to read:

Subdivision 1. [PARENT COMMITTEE.] School boards and participating American Indian schools shall provide for the maximum involvement of parents of children enrolled in American Indian language and culture education programs pursuant to sections 126.45 to 126.55, including language and culture education programs, programs for elementary and secondary grades, special education programs, and support services. Accordingly, before implementing a program, each school district and participating board or American Indian school shall establish a parent advisory committee for that program. If a committee of parents of American Indian children has been or is established according to federal, tribal, or other state law, that committee shall serve as the committee required by this section and shall be subject to, at least, the requirements of this section. This committee shall afford parents the necessary information and the opportunity effectively to express their views concerning all aspects of the American Indian language and culture education program and the educational needs of the American Indian children residing within the district's or school's attendance boundaries enrolled in the school or program. The committee shall also address the need for adult education programs for American Indian people in the community. The district school board or participating American Indian school shall ensure that the program is programs are planned, operated, and evaluated with the involvement of and in consultation with parents of children eligible to be served by the program programs.

Sec. 10. Minnesota Statutes 1986, section 126.51, is amended by adding a subdivision to read:

Subd. 1a. [RESOLUTION OF CONCURRENCE.] By September 15 and June 15 of each school year, the school board or American Indian school shall submit to the department of education a copy of a resolution adopted by the parent committee. The copy must be signed by the chair of the committee and must state that the committee concurs with the educational programs for American Indian children offered by the school board or American Indian school.

Sec. 11. Minnesota Statutes 1986, section 126.51, subdivision 2, is amended to read:

~~Subd. 2. [MEMBERSHIP] The committees committee shall be composed solely of parents of children eligible to be enrolled in American Indian language and culture education programs; secondary students eligible to be served; American Indian language and culture education teachers and aides; American Indian teachers; counselors; adult American Indian people enrolled in educational programs; and representatives from community groups; provided, however, that.~~ A majority of each committee shall be parents of children enrolled or eligible to be enrolled in the ~~corresponding program, and that programs.~~ The number of parents of American Indian and non-American Indian children shall reflect approximately the proportion of children of those groups enrolled in the ~~program programs.~~

Sec. 12. Minnesota Statutes 1986, section 126.51, subdivision 4, is amended to read:

~~Subd. 4. [ALTERNATE COMMITTEE.] If the organizational membership or the board of directors of a participating an American Indian school consists solely of parents of children attending the school whose children are eligible to be enrolled in American Indian language and culture education programs, that membership or board may serve also as the parent advisory committee.~~

Sec. 13. Minnesota Statutes 1986, section 126.52, is amended to read:

126.52 [STATE BOARD OF EDUCATION DUTIES.]

~~Subd. 5. [COMMUNITY INVOLVEMENT.] The state board shall provide for the maximum involvement of the state advisory task force forces on American Indian language and culture education, parents of American Indian children, secondary students eligible to be served, American Indian language and culture education teachers, American Indian teachers, teachers' aides, representatives of community groups, and persons knowledgeable in the field of American Indian language and culture education, in the formulation of policy and procedures relating to the administration of sections 126.45 to 126.55.~~

~~Subd. 8. [TECHNICAL ASSISTANCE.] The state board shall provide technical assistance to school districts, participating schools and post secondary post-secondary institutions for preservice and in-service training for American Indian language and culture education teachers and teacher's aides, teaching methods, curriculum development, testing and testing mechanisms, and the development of materials for American Indian language and culture education programs.~~

~~Subd. 9. [APPLICATION FOR FUNDS.] The state board shall apply for grants or funds money which are, or may become, be available under federal~~

programs for American Indian language and culture education, including funds for administration, demonstration projects, training, technical assistance, planning and evaluation.

Subd. 11. [RULES.] The state board, upon the receipt of recommendations by the ~~advisory task force~~ *appropriate state committees*, may promulgate rules providing for standards and procedures appropriate for the implementation of and within the limitations of sections 126.45 to 126.55.

Sec. 14. Minnesota Statutes 1986, section 126.531, is amended to read:

126.531 [~~ADVISORY TASK FORCE COMMITTEE ON AMERICAN INDIAN LANGUAGE AND CULTURE EDUCATION PROGRAMS.~~]

Subdivision 1. The state board of education ~~may~~ *shall* create ~~an one or more~~ American Indian language and culture education ~~advisory task force committees~~. ~~If created~~, Members shall include representatives of *tribal bodies*, community groups, parents of children eligible to be served by the programs, American Indian administrators and teachers, persons experienced in the training of teachers for American Indian language and culture education programs, persons involved in programs for American Indian children in ~~nonsectarian nonpublic, urban, community, tribal or alternative American Indian~~ schools, and persons knowledgeable in the field of American Indian language and culture education. Members shall be appointed so as to be representative of significant segments of the population of American Indians.

Subd. 2. ~~The advisory task force~~ *Each committee* on American Indian language and culture education programs shall advise the state board in the administration of its duties under sections 126.45 to 126.55 ~~and other programs for the education of American Indian people, as determined by the state board.~~

Subd. 3. ~~The advisory task force~~ *Each committee* shall ~~expire and the terms, compensation and removal of members shall be as provided for in~~ *be reimbursed for expenses according to* section 15.059, subdivision 6. *The state board shall determine the membership terms and the duration of each committee.*

Sec. 15. [135A.11] [UNIQUE NEEDS AND ABILITIES OF AMERICAN INDIAN PEOPLE.]

Subdivision 1. [APPLICABILITY.] *This section applies to all the state and local governing boards of technical institutes, community colleges, state universities, and campuses of the University of Minnesota.*

Subd. 2. [PROGRAMS AND SERVICES.] *Each institution with ten or more American Indian students, in consultation with tribal designated representatives, shall develop academic programs and student services to meet the unique needs of American Indian people.*

Subd. 3. [AMERICAN INDIAN LANGUAGES.] *A student who is proficient in an American Indian language shall have the opportunity to be assessed, placed, or to receive credit for skills in that language in the same manner that a student is assessed, placed, or receives credit in any other modern or classical language.*

Subd. 4. [QUALIFICATIONS FOR AMERICAN INDIAN STUDIES AND SERVICES.] *American Indian individuals who understand and have demonstrated knowledge of American Indian language, history, or culture must*

be considered to be competent to provide instruction in American Indian language, history, or culture programs. Qualifications to provide non-instructional services at post-secondary institutions for American Indian people must take into account unique knowledge of and understanding of American Indian language, history, or culture.

Sec. 16. Laws 1987, chapter 398, article 3, section 39, subdivision 2, is amended to read:

Subd. 2. [SPECIAL EDUCATION AID.] For special education aid there is appropriated:

\$148,514,500 1988,

~~\$152,963,700~~ \$158,963,700 1989.

The appropriation for aid for fiscal year 1988 includes \$21,847,100 for aid for fiscal year 1987 payable in fiscal year 1988 and \$126,667,400 for aid for fiscal year 1988 payable in fiscal year 1988.

The appropriation for aid for fiscal year 1989 includes ~~\$22,728,200~~ \$28,728,200 for aid for fiscal year 1988 payable in fiscal year 1989 and \$130,235,500 for aid for fiscal year 1989 payable in fiscal year 1989.

The appropriations are based on aid entitlements of ~~\$149,395,600~~ \$155,395,600 for fiscal year 1988 and \$153,593,400 for fiscal year 1989.

Sec. 17. Laws 1987, chapter 398, article 3, section 39, subdivision 7, is amended to read:

Subd. 7. [AMERICAN INDIAN SCHOLARSHIPS.] For American Indian scholarships, according to Minnesota Statutes, section 124.48, there is appropriated:

\$1,581,800 1988,

\$1,581,800 1989.

At least \$50,000 of the appropriation for fiscal year 1989 must be used for scholarships for students who are enrolled in teacher preparation programs.

Any unexpended balance remaining in the first year does not cancel but is available for fiscal year 1989.

Sec. 18. [INDIAN SCHOOL COUNCIL.]

Subdivision 1. [INTENTION.] It is the intention of the legislature to establish opportunities for American Indian control of Indian education through Indian public schools, an urban Indian school district or districts, or other means.

Subd. 2. [INDIAN SCHOOL COUNCIL.] (a) An Indian school council composed of 15 members is established to develop recommendations for Indian public schools, an urban Indian school district or districts, or other means of achieving Indian control of Indian education. The state board of education shall appoint two of its members to serve on the council. The board of independent school district No. 625, St. Paul, and the board of special school district No. 1, Minneapolis, shall each appoint one of its members to serve on the council. The remaining members must be appointed by the governor, with the assistance of the Indian affairs council, as provided in section 3.922, subdivision 6, clause (6).

(b) The council chair must be elected by the members of the council. Minnesota Statutes, section 15.059, subdivisions 3 and 4, apply to compensation and removal of members of the council. The council terminates on June 1, 1989. If requested by the council, the department of education and the Indian affairs council must provide assistance.

Subd. 3. [RECOMMENDATIONS.] (a) The council shall make recommendations about each of the items in this subdivision. It may make recommendations about additional options or issues.

(b) It shall consider the governance and administration of schools or programs for Indian education, including participation by Minnesota tribal governments in the governance and administration.

(c) It shall consider methods of forming schools or programs, including, but not limited to:

(1) forming a school within an existing school district with a separate governing board, similar to Minnesota Statutes, chapter 128B;

(2) forming a school district by dividing an existing district;

(3) forming a special purpose school district superimposed on one or more existing school districts, similar to Minnesota Statutes, chapter 136D; or

(4) forming a state school, similar to Minnesota Statutes, chapter 128A or 129C.

The structure may be similar to but different from any other existing school or school district.

(d) It shall consider a governing board or boards that may be appointed or elected, but which, in any case, shall include significant democratic participation by tribal governments and parents or guardians. The appointing authority or authorities must be specified for appointed members. The election process, including the qualification of voters, must be specified for elected members. The initial board members may be selected by a different method than subsequent board members.

(e) It shall consider financing, including:

(1) property taxes that may be levied by a school district, if formed; distributed on an equitable basis by the school district in which the school is located; or distributed on an equitable basis by each of the school districts in which the enrolled pupils reside;

(2) state aid for general education, special education, transportation, capital expenditures, community education, adult basic and continuing education, grants, and other special programs; and

(3) federal sources of funding.

(f) The council shall consider the educational programs to be offered and specify particular state aids that would be necessary. It shall specify from whom and to whom property taxes and state aid are to be paid.

(g) It shall consider ways to acquire and maintain facilities and equipment, including leasing existing facilities and equipment.

(h) It shall consider administration and staffing needs.

(i) It shall consider curriculum needs, including serving as a state resource center for Indian education.

(j) *It shall consider student admission requirements, policies, and procedures.*

(k) *It shall consider how and where to provide transportation.*

Subd. 4. [COUNCIL STAFF AND FACILITIES.] *The department of education shall provide space within its facilities for council meetings. The department of education, through the Indian education section, shall provide support services. The council may contract for or employ professional and nonprofessional staff. The professional staff may be individuals currently employed by the state or on leave of absence from a school district. Upon request of a current employee of a school district for a leave of absence, the school board must grant the leave and make employer contributions to the employee's retirement program during the leave. Minnesota Statutes, section 125.60, subdivisions 3, 4, 5, 6a, 6b, and 8, govern the rights and duties of the employee and school board. The council may contract with consultants and for legal services, as needed.*

Subd. 5. [REPORT TO LEGISLATURE.] *By December 1, 1988, the council shall report its recommendations to the state board of education and the education committees of the legislature.*

Sec. 19. [APPROPRIATION FOR INDIAN SCHOOL COUNCIL.]

There is appropriated from the general fund to the Indian school council, \$250,000 for fiscal year 1989 for the council to perform its duties.

For fiscal year 1989 only, a complement of two is authorized for the council. The complement may include one full-time professional, one half-time professional, and one half-time support staff.

Sec. 20. [APPROPRIATION FOR INDIAN TEACHER PROGRAM.]

There is appropriated from the general fund to the state board of education, for fiscal year 1989, \$71,000 to award a joint grant to the University of Minnesota, Duluth, and independent school district No. 709, Duluth. The grant is for a cooperative program to assist American Indian people to become early childhood or elementary school teachers. The grantees must provide assistance to two entering freshmen interested in becoming teachers, two teacher aides to advance their education, and two current teachers to begin a master of education program. The program must be evaluated by an outside evaluator.

Sec. 21. [REPEALER.]

Minnesota Statutes 1986, section 126.51, subdivision 3, is repealed.

Sec. 22. [EFFECTIVE DATE.]

Section 8 is effective the day following final enactment. The provisions of section 8 relating to placing a teacher on unrequested leave of absence apply to contracts entered into after the effective date of section 8.

ARTICLE 4

**EDUCATION AGENCIES'
APPROPRIATIONS**

Section 1. *Laws 1987, chapter 398, article 10, section 2, subdivision 1, is amended to read:*

APPROPRIATIONS
Available for the Year
Ending June 30
1988 1989

Subdivision 1. Total		
Appropriation	\$12,649,300	\$12,551,600
		<i>\$13,551,600</i>
Complement	1988	1989
General Fund	224.0	224.0
Other	12.5	12.5
Federal	144.4	144.4
Total	380.9	380.9

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

The commissioner of education, with the approval of the commissioner of finance, may transfer unencumbered balances among the programs during the biennium. Transfers must be reported immediately to the senate and house of representatives education committees. During the biennium, the commissioner of education may transfer money among the various object of expenditure categories and activities within each program, unless restricted by executive order.

The commissioner of education, with the approval of the commissioner of finance, may transfer complement among funds if necessary. The commissioner must report material changes to the senate and house of representatives education committees.

The commissioner of education shall develop an organizational management plan for the department of education for the purpose of implementing state education policies as established by the legislature. The plan must be contained within the existing department budget and complement. The plan must include: (1) methods for effectively implementing legislative education policies; (2) methods of substantially increasing direct services to school district teachers, principals, superintendents, and school boards in meeting legislative requirements and the educational needs of students; and (3) methods of using regional organizations to increase direct services to districts.

The management analysis team of the department of administration shall evaluate the plan and report the findings and recommendations

to the house of representatives and senate education committees by January 15, 1988.

The commissioner of education shall present the organizational management plan to the house of representatives and senate education committees for approval by January 15, 1988.

Sec. 2. Laws 1987, chapter 398, article 10, section 2, subdivision 2, is amended to read:

Subd. 2. Educational Services

1988	1989
------	------

\$ 7,360,500	\$ 7,313,000	\$ 8,313,000
--------------	-------------------------	--------------

\$20,700 each year is from the trunk highway fund.

\$60,000 each year is from the public health fund.

The commissioner of education shall provide for direct local technical assistance to districts in meeting the curriculum requirements specified in the planning, evaluating, and reporting process. In addition to existing curriculum services, the commissioner shall enter into performance contract agreements for general curriculum specialist services with educational cooperative service units or other regional educational service agencies. If more than one agency submits a proposal to provide services to school districts within an educational cooperative service unit region, the department shall encourage the agencies to develop a joint proposal. The commissioner shall evaluate the performance agreements annually. This assistance shall be provided in conjunction with the educational effectiveness delivery system. \$400,000 in each year is for this purpose.

The state curriculum advisory committee shall include in its duties implementation of family education in early childhood family education programs and elementary and secondary grades. It shall develop methods to integrate family education into the curricula, develop a scope and sequence, and review and recommend appropriate licensure requirements.

\$157,500 in fiscal year 1988 and \$67,800 \$967,800 in fiscal year 1989 is for services to school districts related to acquired immune deficiency syndrome.

The commissioner of education, in consultation with the commissioner of health, shall develop a state education program related to

preventing and reducing the risk of acquired immune deficiency syndrome. The program shall include, but not be limited to:

- (1) curriculum development and updating;*
- (2) local and regional assistance to school districts to develop programs;*
- (3) regional assistance in training and consultation to parents and the community;*
- (4) in-service for all district staff;*
- (5) collaboration with other state agencies and organizations that have AIDS programs;*
- (6) coordination with local community health services; and*
- (7) involvement of state and local student organizations.*

The department may contract, during fiscal year 1989 only, for personnel for the AIDS program.

Up to \$50,000 of the fiscal year 1989 appropriation is for independent evaluation of the state's AIDS education program.

\$50,000 in fiscal year 1988 and \$75,000 in fiscal year 1989 is for administration of state planning, evaluation and reporting.

\$75,000 each year is for technical assistance for local staff development plans and administration costs for implementing mentorship programs.

Beginning in fiscal year 1989, responsibility for the education research information service established by the council on quality education is transferred to the interagency resource and information center.

The governor's council on youth is discontinued.

\$198,300 each year is for the secondary vocational student organization center.

Two professional and one clerical complement are transferred from the special education section to the Faribault residential academies and resource center for the purpose of establishing a resource center for hearing-impaired, visually-impaired and multiply handicapped students. \$125,000 is available each year for this purpose.

One professional complement is added in each year in the curriculum services research information service learner outcomes.

The complement of the secondary vocational section is reduced by two each year.

Two complement are transferred from federal to special purpose for the alcohol impaired driver program. \$100,000 each year is available from the ~~alcohol~~ alcohol impaired driver account for these complement.

One-half complement each year is for state agency library automation.

One complement is added to the community education section each year for additional ~~responsibilities~~ responsibilities related to youth.

\$100,000 in fiscal year 1989 is to develop a restructured model for the delivery of secondary vocational education. It shall be developed by the commissioner, in consultation with the state director of vocational technical education, the executive director of the state council on vocational technical education, and a representative of the joint council of vocational teacher educators. The model shall designate various forms of curriculum that will incorporate basic skills education and instruction in higher order thinking skills into secondary vocational programs. It shall insure articulation of programs between secondary and post-secondary programs.

The commissioner may employ or contract for temporary staff to develop the restructured model. In developing the model, the commissioner shall provide for active participation by secondary and post-secondary vocational technical teachers, vocational teacher educators, special needs staff, general education teachers, school counselors, school administrators, and representatives of business, industry, and labor. By December 1, 1988, the commissioner shall report to the governor and the education committees of the legislature about the model and the plans and recommendations for implementation.

Sec. 3. HIGHER EDUCATION COORDINATING BOARD

1989

\$30,000

This appropriation is for the task force on instructional technology established by Laws 1987, chapter 401, section 35.

Sec. 4. STATE BOARD OF EDUCATION

1989

\$100,000

The state board shall contract for a comprehensive study of desegregation costs for fiscal years 1988 and 1989 and for estimated costs for future years. The board must contract with outside consultants who have experience in program and financial auditing related to desegregation.

The study must identify: (1) the costs attributable to implementation of each district's desegregation plan; (2) the minimum costs necessary to comply with state board desegregation rules; and (3) the costs that would occur if the district were not required to comply with state board desegregation rules. The study must also determine the overlap in revenues and expenditures among desegregation revenue, and state and federal compensatory education revenue. The report must include district and building level analysis, with per student costs and staffing ratios provided where appropriate.

Selection of a consultant and determination of methodology must occur by June 1, 1988, with the approval of the Duluth, Minneapolis, and St. Paul school districts.

The state board shall submit recommendations for financing desegregation costs and programs, including options for a uniform allocation method of formula as opposed to a program budgeting approach. A report must be made to the governor, the three districts, and the education committees of the legislature by December 31, 1988. The appropriation must be available immediately after final enactment.

ARTICLE 5

OTHER SCHOOL DISTRICT FUNDING

Section 1. Minnesota Statutes 1986, section 129B.20, subdivision 1, is amended to read:

Subdivision 1. [FUNDING.] Each site shall receive \$1,250 each year for two years. *If fewer than 30 sites are selected, each site shall receive an additional proportionate share of money appropriated and not used.* Before receiving money for the second year, a long-range plan for arts education must be submitted to the department.

Sec. 2. Minnesota Statutes 1987 Supplement, section 136D.27, is amended to read:

136D.27 [~~TAX STATE AIDS AND LEVIES, CERTIFICATES OF INDEBTEDNESS.~~]

Subdivision 1. [LEVIES FOR CERTAIN PROGRAMS.] Each year the joint school board may certify to each participating school district tax levies

that shall not in any year exceed .6 mills on each dollar of adjusted assessed valuation for special education and .7 mills on each dollar of adjusted assessed valuation for expenses for secondary vocational education. Each participating school district shall include ~~such~~ these tax levies in the next tax roll which it shall certify to the county auditor or auditors, and shall remit the collections of such levies to the board promptly when received. ~~Such~~ These levies shall not be included in computing the limitations upon the levy of any participating district under sections 124A.03, 124A.06, subdivision 3a, 124A.08, subdivision 3a, 124A.10, subdivision 3a, 124A.12, subdivision 3a, 124A.14, subdivision 5a, and 275.125. The board may, any time after ~~such~~ these levies have been certified to the participating school districts, issue and sell certificates of indebtedness in anticipation of the collection of such levies, but in aggregate amounts such as will not exceed the portion of the levies which is then not collected and not delinquent.

Subd. 2. [PROHIBITED LEVIES.] Notwithstanding section 136D.24 or any other law to the contrary, the joint school board may not certify, either itself, to any participating district, or to any cooperating school district, any levies for any purpose, except the levies authorized by subdivision 1, sections 127.05, 275.125, subdivisions 8c and 14a, 275.48, and 475.61, and for the joint school board's obligations under section 268.06, subdivision 25, for which a levy is authorized by section 275.125, subdivision 4.

Subd. 3. [PROHIBITED STATE AIDS.] Notwithstanding section 136D.24 or any law to the contrary, the department of education shall not pay, unless explicitly authorized by statute, any state aid, grant, credit, or other money to the joint school board, except the aid, credit, or money authorized by sections 121.201, 123.3514, 124.2137, 124.252, 124.32, 124.573, 124.574, and 124.646, and chapter 273.

Sec. 3. Minnesota Statutes 1986, section 136D.74, is amended by adding a subdivision to read:

Subd. 2a. [PROHIBITED LEVIES.] Notwithstanding subdivisions 2 and 4, section 136D.73, subdivision 3, or any other law to the contrary, the intermediate school board may not certify, either itself, to any participating district, or to any cooperating school district, any levies for any purpose, except the levies authorized by subdivision 1, sections 127.05, 275.125, subdivisions 8c and 14a, 275.48, and 475.61, and for the intermediate school board's obligations under section 268.06, subdivision 25, for which a levy is authorized by section 275.125, subdivision 4.

Sec. 4. Minnesota Statutes 1986, section 136D.74, is amended by adding a subdivision to read:

Subd. 2b. [PROHIBITED STATE AIDS.] Notwithstanding subdivision 4 or any law to the contrary, the department of education shall not pay, unless explicitly authorized, any state aid, grant, credit, or other money to the intermediate school board, except the aid, credit, or money authorized by sections 121.201, 123.3514, 124.2137, 124.252, 124.32, 124.573, 124.574, and 124.646, and chapter 273.

Sec. 5. Minnesota Statutes 1987 Supplement, section 136D.87, is amended to read:

136D.87 [TAX LEVIES, CERTIFICATES OF INDEBTEDNESS.]

Subdivision 1. [LEVIES FOR CERTAIN PROGRAMS.] Each year the

joint school board may certify to each participating school district tax levies that shall not in any year exceed .6 mills on each dollar of adjusted assessed valuation for special education and .7 mills on each dollar of adjusted assessed valuation for expenses for secondary vocational education. Each participating school district shall include ~~such these~~ tax levies in the next tax roll which it shall certify to the county auditor or auditors and shall remit the collections of ~~such these~~ levies to the board promptly when received. ~~Such These~~ levies shall not be included in computing the limitations upon the levy of any participating district under sections ~~124A.03, 124A.06, subdivision 3a, 124A.08, subdivision 3a, 124A.10, subdivision 3a, 124A.12, subdivision 3a, 124A.14, subdivision 5a, and 275.125~~. The board may, any time after ~~such these~~ levies have been certified to the participating school districts, issue and sell certificates of indebtedness in anticipation of the collection of ~~such~~ levies, but in aggregate amounts ~~such as~~ that will not exceed the portion of the levies which is then not collected and not delinquent.

Subd. 2. [PROHIBITED LEVIES.] Notwithstanding section 136D.84 or any other law to the contrary, the joint school board may not certify, either itself, to any participating district, or to any cooperating school district, any levies for any purpose, except the levies authorized by subdivision 1, sections 127.05, 275.125, subdivisions 8c and 14a, 275.48, and 475.61, and for the joint school board's obligations under section 268.06, subdivision 25, for which a levy is authorized by section 275.125, subdivision 4.

Subd. 3. [PROHIBITED STATE AIDS.] Notwithstanding section 136D.24 or any law to the contrary, the department of education shall not pay, unless explicitly authorized, any state aid, grant, credit, or other money to the joint school board, except for aid, credit, or money authorized by sections 121.201, 123.3514, 124.2137, 124.252, 124.32, 124.573, 124.574, and 124.646, and chapter 273.

Sec. 6. Minnesota Statutes 1986, section 275.125, is amended by adding a subdivision to read:

Subd. 8e. [INTERDISTRICT COOPERATION LEVY.] This subdivision does not apply to special school district No. 1, independent school district Nos. 11, 625, 709, or to districts that are members of intermediate school district Nos. 287, 916, or 917. A district may levy each year according to this subdivision if it:

(1) is a member of an education district, according to sections 122.91 to 122.96; or

(2) has a cooperation agreement with other districts to expand curricular offerings in mathematics in grades 10 to 12, science in grades 10 to 12, foreign languages for two years, computer usage, or other programs recommended by the state board.

The levy shall not exceed one mill times the adjusted assessed valuation of the district for the preceding year. The proceeds of the levy may be used only to pay for instructional costs and administrative costs incurred in providing the curricular offerings. A district may not spend more than five percent of the amount of the levy for administration.

Sec. 7. [COMMISSION ON EDUCATION REORGANIZATION.]

Subdivision 1. [ESTABLISHED.] There is established a commission on

education reorganization that is composed of 23 members.

Subd. 2. [MEMBERSHIP.] The state board of education shall appoint 17 members. These members must represent various levels of education, sizes of school districts, and geographical areas of the state.

The state board shall appoint one member, from three names submitted by each group, from each of the following groups:

- (1) state board of education;*
- (2) state curriculum advisory committee;*
- (3) Minnesota school boards association;*
- (4) association of stable or growing school districts;*
- (5) association of metropolitan school districts;*
- (6) Minnesota rural education association;*
- (7) Minnesota community education association;*
- (8) Minnesota association of school administrators;*
- (9) Minnesota association of secondary vocational administrators;*
- (10) Minnesota administrators of special education;*
- (11) Minnesota association of secondary school principals;*
- (12) Minnesota elementary school principals' association;*
- (13) Minnesota education association;*
- (14) Minnesota federation of teachers;*
- (15) Minnesota congress of parents, teachers, and students;*
- (16) independent school district Nos. 11 and 625 and special school district No. 1; and*
- (17) the business community.*

In addition, six members of the legislature shall be appointed to the commission. The subcommittee on committees of the committee on rules and administration of the senate shall appoint three members of the senate education committee. The speaker of the house of representatives shall appoint three members of the house education committee.

The commissioner of education, or a designee, shall be an ex officio member of the commission and shall convene the first meeting of the commission by May 1, 1988.

The commission members shall elect the chair of the commission.

Subd. 3. [ITEMS FOR CONSIDERATION.] In considering education reorganization, the commission shall consider and make findings about the following:

- (1) learning opportunities for learners, including, but not limited to:*
 - (i) minimum and maximum curricular offerings;*
 - (ii) alternatives to traditional instructional time or learning year;*
 - (iii) state board of education rules;*
 - (iv) learning and teaching options; and*

(v) *community education and its implications;*

(2) *financial considerations, including, but not limited to:*

(i) *funding and tax equity;*

(ii) *implications for employees, including salaries, fringe benefits, and collective bargaining;*

(iii) *facility needs, uses, and alternatives, including construction of duplicative facilities by adjacent districts; and*

(iv) *community education and its implications;*

(3) *alternative patterns of reorganization, including, but not limited to:*

(i) *various management organizational structures;*

(ii) *technology use;*

(iii) *incentives to reorganize;*

(iv) *research on education organization; and*

(v) *community education and its implications.*

Subd. 4. [SUBCOMMITTEES.] *The commission shall appoint at least two subcommittees. One subcommittee shall address curriculum and learning opportunities. One subcommittee shall address organizational structures and finance. The members of both subcommittees shall be representative of various levels of education, sizes of school districts, and geographical areas of the state.*

Subd. 5. [EXPENSES AND EXPIRATION.] *The commission shall be governed by Minnesota Statutes, section 15.059, subdivision 6.*

Subd. 6. [STAFF ASSISTANCE.] *The education committees of the legislature and the department of education shall provide staff assistance to the commission and subcommittees.*

Subd. 7. [FINDINGS.] *The commission shall report its findings to the state board of education by January 1, 1989, and to the education committees of the legislature by February 1, 1989.*

Sec. 8. [DEPARTMENT APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] *There are appropriated from the general fund to the department of education the sums indicated in this section for the fiscal years ending June 30 in the years designated.*

Subd. 2. [INTEGRATION GRANTS.] *For grants for integration expenditures there is appropriated:*

\$11,679,100 1989.

Grant amounts may not exceed \$797,400 for independent school district No. 709, Duluth, \$5,869,453 for special school district No. 1, Minneapolis, and \$5,012,247 for independent school district No. 625, St. Paul. As a condition of receiving a grant, each district must continue to report desegregation costs according to the uniform financial accounting and reporting system and must provide the information requested for the state board of education study of desegregation costs.

Subd. 3. [HUTCHINSON SCHOOL DISTRICT.] To reimburse independent school district No. 423, Hutchinson, for expenses associated with participating in the National Bicentennial Competition on the Constitution and Bill of Rights, there is appropriated:

\$12,000 1988.

Subd. 4. [CHISHOLM SCHOOL DISTRICT.] For a grant for a leadership program in independent school district No. 695, Chisholm, there is appropriated:

\$20,000 1989.

Sec. 9. [COMMISSION APPROPRIATIONS.]

There is appropriated from the general fund to the legislative commission on public education \$100,000 for fiscal year 1989 for the commission on education reorganization to perform its duties.

ARTICLE 6

MISCELLANEOUS

Section 1. [120.062] [ENROLLMENT OPTIONS PROGRAM.]

Subdivision 1. [ESTABLISHMENT.] An enrollment options program is established to enable any pupil to attend a school or program in a district in which the pupil does not reside, subject to the limitations in this section.

Subd. 2. [CLOSED DISTRICTS.] A school board may, by resolution, determine that nonresident pupils may not attend any of its schools or programs according to this section.

Subd. 3. [PUPIL APPLICATION PROCEDURES.] In order that a pupil may attend a school or program in a nonresident district, the pupil's parent or guardian must submit an application to the nonresident district by December 1, for enrollment during the following fiscal year. The application shall be on a form provided by the department of education. A particular school or program may be requested by the parent.

Subd. 4. [NONRESIDENT DISTRICT PROCEDURES.] By February 1, a district that does not exclude nonresident pupils, according to subdivision 2, shall notify the parent or guardian and the resident district in writing whether the application has been accepted or rejected. If an application is rejected, the district must state in the notification the reason for rejection.

Subd. 5. [BASIS FOR DECISIONS.] The school board must adopt, by resolution, specific standards for acceptance and rejection of applications. Standards may include the capacity of a program, class, grade level, or school building. Standards may not include previous academic achievement, athletic or other extracurricular ability, handicapping conditions, proficiency in the English language, or previous disciplinary proceedings.

Subd. 6. [DESEGREGATION PLANS.] A district that has a desegregation plan approved by the state board of education may limit the number of pupils who transfer into or out of the district. An application to transfer into or out of a district that has an approved desegregation plan shall be submitted according to the requirements of subdivision 4. If acceptance of all of the applications would result in the district being out of compliance with its desegregation plan, the district shall establish the number of majority and minority group pupils who may transfer into or out of the district. The district may accept or reject applications in a manner that will enable

compliance with the desegregation plan. The district shall notify the parent or guardian and the resident district according to the requirements of subdivision 4.

Subd. 7. [WAIVER OF DEADLINES.] Upon agreement of the resident and nonresident school boards, if applicable, the deadlines in subdivisions 3, 4, and 6 may be waived.

Subd. 8. [TRANSPORTATION.] If requested by the parent of a pupil, the nonresident district shall provide transportation within the district. The state shall pay transportation aid to the district according to section 124.225.

The resident district is not required to provide or pay for transportation between the pupil's residence and the border of the nonresident district. A parent may be reimbursed by the nonresident district for the costs of transportation from the pupil's residence to the border of the nonresident district if the pupil is from a family whose income is at or below the poverty level, as determined by the federal government.

Subd. 9. [CREDITS TOWARD GRADUATION.] A nonresident district shall accept credits toward graduation that were awarded by another district. The nonresident district shall award a diploma to a nonresident pupil if the pupil meets its graduation requirements.

Subd. 10. [INFORMATION.] A district that does not exclude nonresident pupils according to subdivision 2 shall make information about the district, schools, programs, policies, and procedures available to all interested people.

Subd. 11. [GENERAL EDUCATION AID.] Adjustments to general education aid for the resident and nonresident districts shall be made according to section 124A.036, subdivision 5.

Sec. 2. Minnesota Statutes 1986, section 120.08, subdivision 2, is amended to read:

Subd. 2. A school board ~~is~~ of a district maintaining a secondary school may by a majority vote provide for the instruction of any resident pupil in a school district in an adjoining state ~~nearer to the pupil's place of residence than the school of the resident district, the distances being measured by the usual traveled routes.~~ Any charge for tuition or transportation, by the district ~~so attended or for transportation in the adjoining state,~~ shall be paid by the pupil's resident district ~~provided that such.~~ The pupil shall ~~continue to be considered a pupil of the resident district of residence for the payment purposes of apportionment and other state aids aid.~~

Sec. 3. [124A.31] [EQUITABLE COMPENSATION PENALTY.]

Subdivision 1. [IMPLEMENTATION.] A school district subject to sections 471.991 to 471.999 shall implement the plan to establish equitable compensation relationships set forth in its report to the commissioner of employee relations. The plan shall be implemented by December 31, 1991, unless a later date is approved by the commissioner. If a report was filed before October 1, 1987, and had an implementation date after December 31, 1991, the date in the report shall be approved by the commissioner.

Subd. 2. [AID REDUCTION FOR ADMINISTRATION COSTS.] By October 1, 1992, the commissioner of employee relations shall certify to the commissioner of education the school districts that have not complied

with subdivision 1. For each of these school districts, the commissioner of education shall reduce general education aid for fiscal year 1993 by an amount equal to five percent of the district's administration costs for the 1990-1991 school year. If the reduction exceeds the district's general education aid, the reduction shall be made from other aids paid to the district.

Subd. 3. [ADJUSTMENT OF YEARS.] The commissioners of employee relations and education shall adjust the years designated in subdivision 2 for school districts with implementation dates after December 31, 1991.

Subd. 4. [EXTENSIONS.] The commissioner of employee relations must extend an implementation date upon a finding that failure to implement was attributable to severe hardship or to circumstances beyond the control of the district.

Sec. 4. [125.115] [FULL-TIME TEACHER.]

For the purposes of determining a probationary period according to sections 125.12 and 125.17, a teacher shall be considered full time if the teacher is a public employee, as defined in section 179A.03, subdivision 14.

**Sec. 5. Minnesota Statutes 1986, section 126.151, is amended to read:
126.151 [VOCATIONAL EDUCATION STUDENT ORGANIZATIONS.]**

Subdivision 1. [ACTIVITIES OF THE ORGANIZATION.] Any pupil student enrolled in a vocational technical education program approved by the state board boards of education and vocational technical education may belong to a vocational student organization which that is operated as an integral part of the vocational program. The commissioner of education and the state director of vocational technical education may provide necessary technical assistance and leadership to these organizations at the state level for administration of approved vocational student organizations and fiscal accounts, including administration of state and national conferences.

Subd. 2. [ACCOUNTS OF THE ORGANIZATION.] The state boards of education and vocational technical education may retain dues and other money collected on behalf of students participating in approved vocational student organizations and may deposit the money in separate accounts. The money in these accounts shall be available for expenditures for state and national activities related to specific organizations. Administration of money collected under this section is not subject to the provisions of chapters 15, 16A, and 16B, and may be deposited outside the state treasury. Money shall be administered under the policies of the applicable state board or agency relating to post-secondary vocational student organizations and is subject to audit by the legislative auditor. Any unexpended money shall not cancel but may be carried forward to the next fiscal year.

Sec. 6. Minnesota Statutes 1987 Supplement, section 126.22, subdivision 2, is amended to read:

Subd. 2. [ELIGIBLE STUDENTS.] The following students are eligible to participate in the high school graduation incentives program:

(a) any student who is between the ages of 12 and 16 and who:

(1) is at least two grade levels below the performance level for students of the same age in a locally determined achievement test; or

- (2) is at least one year behind in obtaining credits for graduation; or
- (3) is pregnant or is a parent; or
- (4) has been assessed as chemically dependent; or
- (5) has been absent from attendance at school without lawful excuse for one or more class periods on more than 15 *consecutive* days in the preceding or current school year;

(b) any student who is between the ages of 16 and 19 who is attending school, and who is at least two grade levels below the performance level for students of the same age in a locally determined achievement test, or is at least one year behind in obtaining credits for graduation, or is pregnant or is a parent, or has been assessed as chemically dependent; or

(c) any person between 16 and 21 years of age who has not attended a high school program for at least 15 *consecutive* days, excluding those days when school is not in session, and who is at least two grade levels below the performance level for students of the same age in a locally determined achievement test, or is at least one year behind in obtaining credits for graduation, or has been assessed as chemically dependent.

Sec. 7. Minnesota Statutes 1987 Supplement, section 126.22, subdivision 3, is amended to read:

Subd. 3. [ELIGIBLE PROGRAMS.] ~~Students who are eligible to participate under subdivision 2 may enroll in the following programs:~~ (a) *A student who is eligible according to subdivision 2, clause (a), (b), or (c), may enroll in any program approved by the state board of education under Minnesota Rules, part 3500.3500 or according to section 121.11, subdivision 12,* ~~may enroll students who are eligible to participate under subdivision 2, clause (a), (b) or (c).~~

(b) ~~Students~~ *A student who is eligible to participate under according to subdivision 2, clause (b) or (c), may enroll in post-secondary courses under section 123.3514; and.*

(c) ~~Any public secondary education program may enroll any~~ *A student who is eligible to participate under subdivision 2, clause (a), (b), or (c), may enroll in any public secondary education program.*

(d) *The district of residence is responsible for the actual costs of providing special instruction and services for a handicapped student, as defined in section 120.03, who is enrolled in a program according to this section. The district of residence is also responsible for the individual education plan process.*

Sec. 8. Minnesota Statutes 1987 Supplement, section 126.23, is amended to read:

126.23 [AID FOR PRIVATE ALTERNATIVE PROGRAMS.]

If a pupil enrolls in a nonsectarian alternative program operated by a private organization that has contracted with a school district to provide educational services for high school drop outs or other eligible students under section 126.22, subdivision 2, the resident district must reimburse the provider an amount equal to at least 50 percent of the ~~formula allowance plus the total tier revenue attributable to that~~ *basic revenue of the district for each pupil. Pupils for whom a district provides reimbursement may not be counted by the district for any purpose other than computation of basic*

revenue, according to section 124A.22, subdivision 2.

Sec. 9. Minnesota Statutes 1986, section 126.56, subdivision 2, is amended to read:

Subd. 2. [ELIGIBLE STUDENT.] To be eligible for a scholarship, a student shall:

- (1) be a United States citizen or permanent resident of the United States;
- (2) be a resident of Minnesota;
- ~~(2)~~ (3) attend an eligible program;
- ~~(3)~~ (4) have completed at least one year of secondary school but not have graduated from high school;
- ~~(4)~~ (5) have earned at least a B average during the semester or quarter prior to application, *or have earned at least a B average during the semester or quarter prior to application in the academic subject area applicable to the summer program the student wishes to attend*; and
- ~~(5)~~ (6) demonstrate need for financial assistance.

Sec. 10. [126.74] [PROGRAMS FOR PREGNANT PUPILS.]

Each school district must provide an educational program, with appropriate adaptations and support services, for pregnant minors and minor parents who are required to attend school as a condition of receiving government benefits. The department of education must develop model programs and provide technical assistance to districts in adapting the models to their individual needs and in implementing the program.

Sec. 11. Minnesota Statutes 1987 Supplement, section 129B.11, subdivision 2, is amended to read:

Subd. 2. [ELIGIBILITY.] To be eligible for a grant, a group of districts must meet one of the following criteria:

- (1) create a consolidated district according to section 122.23, with the consolidated school district having at least 600 pupils in average daily membership;
- (2) establish an education district according to section 122.91;
- (3) form a group of districts that has an agreement under section 122.535 or 122.541 for discontinuing grades when the districts entering into the agreement have a total of at least 240 pupils in average daily membership in grades ten, 11, and 12; or
- (4) enter into a joint powers agreement for a technology cooperative where the school districts in the cooperative are contiguous ~~but are significant distances apart so that other forms of cooperation are not practical.~~

Sec. 12. Minnesota Statutes 1987 Supplement, section 129B.11, is amended by adding a subdivision to read:

Subd. 2a. [INTENTION TO CONSOLIDATE.] A group of districts is eligible for a grant if each school board has adopted a resolution of intention to consolidate with the other districts in the group. If a grant is awarded to a group of districts under this subdivision and if the group does not actually consolidate within 24 months of receiving the grant, the department of education shall withhold payment of all state aids until the amount of the grant has been recovered.

The state board of education may establish additional conditions to a grant awarded under this subdivision.

Sec. 13. Minnesota Statutes 1987 Supplement, section 129B.53, is amended by adding a subdivision to read:

Subd. 2a. [CERTAIN ADULTS MAY ATTEND FREE.] A center may not charge a fee to anyone 21 years old or older who is completing requirements for a high school diploma or equivalency certificate at the center.

Sec. 14. Minnesota Statutes 1987 Supplement, section 129B.55, is amended by adding a subdivision to read:

Subd. 3. [REVENUE FOR ADULT PARTICIPANTS.] A center shall receive basic revenue, according to section 124A.22, subdivision 2, for people who are enrolled in courses of study necessary to earn a high school diploma or equivalency certificate. The average daily membership for a person enrolled in these courses shall equal the ratio of the total minutes for which a person is enrolled to the minutes required during the year for a secondary school pupil. Basic revenue for these people shall equal the formula allowance times the full-time equivalent actual pupil units.

Sec. 15. [129B.56] [DESIGNATION AS CENTER.]

The commissioner of education in cooperation with the state board of education shall establish a process for state designation and approval of area learning centers that meet the provisions of Minnesota Statutes, sections 129B.52 to 129B.55.

The four area learning centers designated in 1988 as exemplary shall be subject to the state approval process beginning July 1, 1990.

Area learning center designation shall begin July 1, 1988.

Sec. 16. Minnesota Statutes 1986, section 136D.81, is amended to read:

136D.81 [DAKOTA AND GOODHUE COUNTY DISTRICTS, JOINT VOCATIONAL SCHOOL.]

Subdivision 1. [AGREEMENTS.] Two or more of the special school district numbered 6 and the independent school districts numbered 191, 192, 194, 195, 196, 197, 199 and, 200, 252, and 256, located wholly or partly in the ~~county~~ counties of Dakota or Goodhue, whether or not contiguous, may enter into agreements to accomplish jointly and cooperatively the acquisition, betterment, construction, maintenance, and operation of area vocational technical schools. Each school district which becomes a party to such an agreement is hereinafter referred to as a "participating school district." The agreement may provide for the exercise of such powers by the school board of one of the school districts on behalf of and for the benefit of other school districts, or by a joint school board created as set forth in sections 136D.81 to 136D.92. If the powers are to be carried out by one of the school districts, it shall in doing so have the same powers and duties and be subject to the same limitations as are herein provided for joint school boards.

Subd. 2. [HECB REVIEW.] No area vocational technical school shall be constructed pursuant to sections 136D.81 to 136D.92 until the location of such school and its program is first submitted for review and recommendation by the Minnesota higher education coordinating board.

Sec. 17. Minnesota Statutes 1986, section 354.52, subdivision 4, is

amended to read:

Subd. 4. At least once each month, the chief administrative officer of each employing school district or managing body of schools and institutions to which the provisions of this chapter apply shall transmit all amounts due to a *public pension or retirement fund* and furnish a signed statement indicating the amount due and transmitted, and shall transmit a statement containing such other information as the executive director of the fund shall require. Signing the statement shall have the force and effect of an oath as to the correctness of the amount due and transmitted. Any amount thus due and not transmitted shall accrue interest at the rate of six percent compounded annually commencing 15 days after the date first due until the amount is transmitted and shall be paid by the employing school district or other managing body. *If the amount due plus interest is not transmitted and paid 30 days after interest begins to accrue, a penalty equal to ten percent of the amount due is added, and interest then accrues on the penalty as well as the amount originally due.* The state treasurer shall credit all money received or withheld pursuant to the provisions of this chapter to the fund and the reports and date received by the state treasurer from each reporting agency shall be available for the board. Any person willfully failing to perform any of the duties imposed by this section shall be guilty of a misdemeanor.

Sec. 18. Minnesota Statutes 1986, section 354A.12, subdivision 2, is amended to read:

Subd. 2. [EMPLOYER CONTRIBUTIONS.] Notwithstanding any law to the contrary, levies for teachers retirement fund associations in cities of the first class, including levies for any employer social security taxes for teachers covered by the Duluth teachers retirement fund association or the Minneapolis teachers retirement fund association or the St. Paul teachers retirement fund association, are disallowed.

The employing units shall make the following employer contributions to teachers retirement fund associations:

(a) For any coordinated member of a teachers retirement fund association in a city of the first class, the employing unit shall pay the employer social security taxes in accordance with section 355.46, subdivision 3, clause (b);

(b) For any coordinated member of one of the following teachers retirement fund associations in a city of the first class, the employing unit shall make a contribution to the respective retirement fund association in an amount equal to the designated percentage of the salary of the coordinated member as provided below:

Duluth teachers retirement fund association	5.79 percent
Minneapolis teachers retirement fund association	4.50 percent
St. Paul teachers retirement fund association	4.50 percent

(c) For any basic member of one of the following teachers retirement fund associations in a city of the first class, the employing unit shall make a contribution to the respective retirement fund in an amount equal to the designated percentage of the salary of the basic member as provided below:

Minneapolis teachers retirement fund association	13.35 percent
St. Paul teachers retirement fund association	12.63 percent

The employer contributions required by this subdivision and the employer contributions due any other public pension or retirement fund shall be remitted directly to each teachers retirement fund or other fund association each month. An amount due and not transmitted begins to accrue interest at the rate of six percent compounded annually 15 days after the date due. If the amount due plus interest is not paid 30 days after interest begins to accrue, a penalty equal to ten percent of the amount due is added, and interest then accrues on the penalty as well as the amount originally due.

Payments for school district or area vocational technical institute employees who are paid from normal operating funds, shall be made from the appropriate fund of the district or area vocational technical institute.

Sec. 19. Laws 1959, chapter 462, section 3, subdivision 4, as amended by Laws 1963, chapter 645, section 3, and Laws 1967, chapter 661, section 3, is amended to read:

Subd. 4. Not later than the 15th last day of the last month of each fiscal year the board shall adopt and cause to be published two separate budgets, an operating budget and a capital budget for the subsequent fiscal year. The board shall adopt and publish standards governing the content of its budgets and of its annual report.

Sec. 20. [LEARNING YEAR PROGRAM SITES.]

Subdivision 1. [PROGRAM ESTABLISHED FOR TWO YEARS.] A program is established to designate learning year program sites for providing instruction throughout the entire year. The learning year programs may begin June 9, 1988, and end June 9, 1990. The programs must permit students in grades 9 through 12 to receive instruction throughout the entire year.

Students may participate in the program if they reside in:

(1) a district that has been designated a learning year program site under subdivision 2;

(2) a district that is a member of the same education district as a program site; or

(3) a district that participates in the same area learning center program as a program site.

Subd. 2. [STATE BOARD DESIGNATION.] Up to five districts may be designated learning year program sites by the state board of education. To be designated, a district must demonstrate to the commissioner of education that the district will:

(1) provide a program of instruction that permits students in grades 9 through 12 to receive instruction throughout the entire year; and

(2) maintain a record system that, for purposes of section 124.17, permits identification of membership attributable to students participating in the program. The purpose for identifying this membership is to ensure that a district will not be able to increase the total number of pupil units attributable to an individual student by providing a learning year program. The

commissioner of education shall consult with the director of the education aids and levies section of the department of education when determining whether the record system of a participating district is adequate for this purpose.

Subd. 3. [HOURS OF INSTRUCTION.] Students participating in a program must be able to receive 4,200 hours of instruction so that they are able to complete the requirements of grades 9 through 12. If a student has not completed the graduation requirements of the district after completing 4,200 hours of instruction, the student may continue to enroll in courses needed for graduation until either the student meets the graduation requirements or the student is 21 years old, whichever occurs first.

For the purposes of Minnesota Statutes, section 120.101, subdivision 5, 1,020 hours of instruction shall constitute 170 days of instruction. Hours of instruction that occur between June 9 and June 30 shall be attributed to the fiscal year following the days of actual instruction.

Subd. 4. [STUDENT PLANNING.] A district must inform all junior and senior high school students and their parents about the learning year program. A continual learning plan for the 4,200 hours of education must be developed for each student with the participation of the student, parent or guardian, teachers, and other staff. The plan must identify the learning experiences needed for graduation and must specify the learning experiences that will occur each year. The student or district may modify the plan according to district schedule changes. The district may not modify the plan if the modification would result in delaying the student's time of graduation.

Subd. 5. [TRANSPORTATION.] Summer transportation expenditures for this program must be included in nonregular transportation according to Minnesota Statutes, sections 124.225, subdivision 8; and 275.125, subdivision 5c.

Subd. 6. [CONTRACTS.] A district may contract with a licensed employee to provide services in a learning year program that are in addition to the services provided according to the master contract of employment for teachers, entered into under chapter 179A, or an equivalent contract for licensed employees who are not teachers. These additional services and compensation, if any, for the services shall not become a part of the employee's continuing contract rights under Minnesota Statutes, section 125.12 or 125.17. The duration of a contract is negotiable, but may not extend beyond June 9, 1990.

Subd. 7. [REVENUE COMPUTATION AND REPORTING.] Aid and levy revenue computations shall be based on the total number of hours of education programs for pupils in average daily membership for each fiscal year. For purposes of section 124.17, average daily membership shall be computed by dividing the total number of hours of participation for the fiscal year by 1,050. Hours of participation that occur between June 9 and June 30 shall be attributed to the fiscal year following the hours of actual participation. Thirty hours may be used for teacher workshops, staff development, or parent-teacher conferences. As part of each pilot program, the department of education, the commissioner of education, and each district must report and evaluate the changes needed to adjust the dates of the fiscal year for aid and levy computation and fiscal reporting. For revenue computation purposes, the learning year program shall generate revenue based on the formulas for the fiscal year in which the services

are provided.

State aid and levy revenue computation for the learning year programs begins July 1, 1988, for fiscal year 1989.

Subd. 8. [EXEMPTION.] To operate the pilot program, the state board of education may exempt the district from specific rules relating to student and financial accounting, reporting, and revenue computation.

Sec. 21. [HIBBING, TOWER, VIRGINIA SCHOOL DISTRICT BONDS.]

Subdivision 1. [AUTHORIZATION.] Independent school district No. 701, Hibbing, may issue bonds in an aggregate principal amount not exceeding \$3,500,000, and independent school district No. 708, Tower, may issue bonds in an aggregate principal amount not exceeding \$1,000,000, and independent school district No. 706, Virginia, may issue bonds in an aggregate principal amount not exceeding \$2,500,000, in addition to any bonds already issued or authorized, to provide funds to construct, equip, furnish, remodel, rehabilitate, and acquire land for school facilities and buildings. They may spend the proceeds of the bond sale for those purposes and any architects', engineers', and legal fees incidental to those purposes or the sale. Except as permitted by this section, the bonds shall be authorized, issued, sold, executed, and delivered in the manner provided by Minnesota Statutes, chapter 475. A resolution of the board levying taxes for the payment of the bonds and interest on them as authorized by this section and pledging the proceeds of the levies for the payment of the bonds and interest on them shall be deemed to be in compliance with the provisions of chapter 475 with respect to the levying of taxes for their payment.

Subd. 2. [APPROPRIATION.] There is annually appropriated from the distribution of taconite production tax revenues to the taconite environmental protection fund pursuant to section 298.28, subdivision 11, and to the northeast Minnesota economic protection trust pursuant to section 298.28, subdivisions 9 and 11, in equal shares, an amount sufficient to pay when due 80 percent of the principal and interest on the bonds issued pursuant to subdivision 1. If the annual distribution to the northeast Minnesota economic protection trust is insufficient to pay its share after fulfilling any obligations of the trust under section 298.225 or 298.293, the deficiency shall be appropriated from the taconite environmental protection fund.

Subd. 3. [DISTRICT OBLIGATIONS.] Bonds issued under authority of this section shall be the general obligations of the school district, for which its full faith and credit and unlimited taxing powers shall be pledged. If there are any deficiencies in the amount received pursuant to subdivision 2, they shall be made good by general levies, not subject to limit, on all taxable properties in the district in accordance with Minnesota Statutes, section 475.74. If any deficiency levies are necessary, the school board may effect a temporary loan or loans on certificates of indebtedness issued in anticipation of them to meet payments of principal or interest on the bonds due or about to become due.

Subd. 4. [DISTRICT LEVY.] The school board shall by resolution levy on all property in the school district subject to the general ad valorem school tax levies, and not subject to taxation under Minnesota Statutes, sections 298.23 to 298.28, a direct annual ad valorem tax for each year of the term of the bonds in amounts that, if collected in full, will produce the amounts needed to meet when due 20 percent of the principal and

interest payments on the bonds. A copy of the resolution shall be filed, and the necessary taxes shall be extended, assessed, collected, and remitted in accordance with Minnesota Statutes, section 475.61.

Subd. 5. [LEVY LIMITATIONS.] Taxes levied pursuant to this section shall be disregarded in the calculation of any other tax levies or limits on tax levies provided by other law.

Subd. 6. [BONDING LIMITATIONS.] Bonds may be issued under authority of this section notwithstanding any limitations upon the indebtedness of a district, and their amounts shall not be included in computing the indebtedness of a district for any purpose, including the issuance of subsequent bonds and the incurring of subsequent indebtedness.

Subd. 7. [TERMINATION OF APPROPRIATION.] The appropriation authorized in subdivision 2 shall terminate upon payment or maturity of the last of those bonds.

Subd. 8. [LOCAL APPROVAL.] This section is effective for independent school district No. 701 the day after its governing body complies with Minnesota Statutes, section 645.021, subdivision 3, and for independent school district No. 708 the day after its governing body complies with Minnesota Statutes, section 645.021, subdivision 3, and for independent school district No. 706 the day after its governing body complies with Minnesota Statutes, section 645.021, subdivision 3.

Sec. 22. [SCHOOL DISTRICT NO. 710 BONDS.]

Subdivision 1. [AUTHORIZATION.] Independent school district No. 710, St. Louis county, may issue bonds in an aggregate principal amount not exceeding \$1,000,000, in addition to any bonds already issued or authorized, to provide funds to construct, equip, furnish, remodel, rehabilitate, and acquire land for school facilities and buildings. The district may spend the proceeds of the bond sale for those purposes and any architects', engineers', and legal fees incidental to those purposes or the sale. Except as permitted by this section, the bonds shall be authorized, issued, sold, executed, and delivered in the manner provided by Minnesota Statutes, chapter 475. A resolution of the board levying taxes for the payment of the bonds and interest on them as authorized by this section and pledging the proceeds of the levies for the payment of the bonds and interest on them shall be deemed to be in compliance with the provisions of chapter 475 with respect to the levying of taxes for their payment.

Subd. 2. [APPROPRIATION.] There is annually appropriated from the distribution of taconite production tax revenues to the taconite environmental protection fund pursuant to section 298.28, subdivision 11, and to the northeast Minnesota economic protection trust pursuant to section 298.28, subdivisions 9 and 11, in equal shares, an amount sufficient to pay when due 100 percent of the principal and interest on the bonds issued pursuant to subdivision 1. If the annual distribution to the northeast Minnesota economic protection trust is insufficient to pay its share after fulfilling any obligations of the trust under section 298.225 or 298.293, the deficiency shall be appropriated from the taconite environmental protection fund.

Subd. 3. [DISTRICT OBLIGATIONS.] Bonds issued under authority of this section shall be the general obligations of the school district, for which its full faith and credit and unlimited taxing powers shall be pledged. If there are any deficiencies in the amount received pursuant to subdivision

2, they shall be made good by general levies, not subject to limit, on all taxable properties in the district in accordance with Minnesota Statutes, section 475.74. If any deficiency levies are necessary, the school board may effect a temporary loan or loans on certificates of indebtedness issued in anticipation of them to meet payments of principal or interest on the bonds due or about to become due.

Subd. 4. [LEVY LIMITATIONS.] Taxes levied pursuant to this section shall be disregarded in the calculation of any other tax levies or limits on tax levies provided by other law.

Subd. 5. [BONDING LIMITATIONS.] Bonds may be issued under authority of this section notwithstanding any limitations upon the indebtedness of a district, and their amounts shall not be included in computing the indebtedness of a district for any purpose, including the issuance of subsequent bonds and the incurring of subsequent indebtedness.

Subd. 6. [TERMINATION OF APPROPRIATION.] The appropriation authorized in subdivision 2 shall terminate upon payment or maturity of the last of those bonds.

Subd. 7. [LOCAL APPROVAL.] This section is effective for independent school district No. 710 the day after its governing body complies with Minnesota Statutes, section 645.021, subdivision 3.

Sec. 23. [EXCESS TRANSPORTATION FUNDS.]

Notwithstanding Minnesota Statutes, section 121.912, a district that has discontinued operation of a district-owned bus fleet or a substantial portion of a fleet may, during fiscal year 1989, make a permanent transfer from the account entitled pupil transportation fund appropriated for bus purchases to the unreserved account in the transportation fund.

Sec. 24. [REPEALER.]

Minnesota Statutes 1986, section 120.0752, as amended by Laws 1987, chapter 398, article 7, section 4, is repealed. Minnesota Statutes 1987 Supplement, section 123.3515, is repealed. Laws 1984, chapter 463, article 7, section 45, is repealed.

Sec. 25. [EFFECTIVE DATE.]

Sections 1 and 10 are effective for the 1989-1990 school year and thereafter. Sections 9, 17, and 18 are effective the day following final enactment.

Section 16 is effective the day following final enactment. A district specified in section 16 located wholly or partly in Goodhue county may become a participating district upon adoption of an approving resolution by its school board and the board of intermediate school district No. 917, upon compliance with Minnesota Statutes, section 136D.85, and upon execution of an agreement with the board of intermediate school district No. 917.

Section 24 is effective July 1, 1989.

ARTICLE 7

EDUCATION FACILITIES

Section 1. [121.148] [SCHOOL DISTRICT CONSTRUCTION.]

Subdivision 1. [MORATORIUM.] A school board may not construct any new buildings or educational facilities except according to the procedures

in this section and section 121.15.

Subd. 2. [PROCEDURES.] If a school board determines that it is necessary to construct a new building or facility, it must comply with the requirements of section 121.15.

Subd. 3. [APPROVAL OF CONSTRUCTION.] If the commissioner approves of the construction, according to section 121.15, the school board may proceed with the construction according to the requirements of applicable laws.

Subd. 4. [DISAPPROVAL OF CONSTRUCTION.] If the commissioner disapproves of the construction according to section 121.15, the school board shall reconsider construction by resolution of the board. The question of whether to construct the building or facility must be submitted to the voters at a referendum at the next regular election. Unless 60 percent of the voters at the election approve of constructing the building, the board shall not proceed with construction.

Sec. 2. Minnesota Statutes 1986, section 121.15, is amended to read:

121.15 [REVIEW AND COMMENT APPROVAL FOR SCHOOL DISTRICT CONSTRUCTION.]

Subdivision 1. [**CONSULTATION APPLICATION.**] A school district shall ~~consult with~~ apply to the ~~department~~ commissioner of education before developing any plans and specifications to construct, remodel, or improve the building or site of an educational facility, other than an area vocational technical institute. This ~~consultation application~~ shall occur before a referendum for bonds, solicitation for bids, or use of ~~capital funds school facilities revenue~~ according to section ~~275.125, subdivision 11a, clause (e),~~ is initiated 4.

Subd. 2. [**PLAN SUBMITTAL.**] The ~~department of education commissioner,~~ after the ~~consultation application~~ required in subdivision 1, may require a school district ~~engaging in a construction, remodeling, or site improvement project~~ to submit the following for approval:

- (a) two sets of preliminary plans for each new building or addition, and
- (b) one set of final plans for each construction, remodeling, or site improvement project. The ~~department of education commissioner~~ shall approve or disapprove the plans within 60 days after submission. ~~A school district shall not award contracts before the department approves the plans.~~

Final plans shall meet all applicable state laws, rules, and codes concerning public buildings, including sections 16B.59 to 16B.73. ~~The department of education's approval shall be limited to compliance with applicable state laws, rules, and codes and shall reasonably conform to the recommended educational standards established by the department of education.~~ The department may furnish to a school district plans and specifications for temporary school buildings containing two classrooms or less.

Subd. 3. [**FINAL PLANS.**] If ~~no~~ a construction contract has not been awarded within two years of approval, the approval shall ~~no longer not~~ be valid. After approval, final plans and the approval shall be filed with the department of education. If substantial changes are made to ~~approved plans~~ after final approval, documents reflecting the changes shall be submitted to the ~~department of education commissioner~~ for approval. Upon completing a project, the school board shall certify to the ~~department commissioner~~.

that the project was completed according to the approved plans.

Subd. 4. [CONDEMNATION OF SCHOOL BUILDINGS.] The ~~department of education~~ *commissioner* may condemn school buildings and sites ~~which that~~ the state board of education determines are unfit or unsafe for that use.

Subd. 5. [RULEMAKING.] The state board of education may adopt rules for public school buildings.

Subd. 6. [REVIEW AND COMMENT APPROVAL.] No referendum for bonds or solicitation of bids for new construction, expansion, or remodeling of an educational facility ~~which that~~ requires a ~~capital~~ *an* expenditure in excess of \$400,000 per school site shall be initiated prior to ~~review and comment approval~~ by the commissioner. A school board shall not separate portions of a single project into components to avoid the requirements of this subdivision.

Subd. 7. [INFORMATION REQUIRED.] A school board proposing to construct a facility described in subdivision 6 shall submit to the commissioner a proposal containing information including at least the following:

(a) the geographic area proposed to be served, whether within or outside the boundaries of the school district;

(b) the ~~population~~ *people* proposed to be served, including census findings and projections *for the next ten years* of the number of preschool and school-aged people in the area;

(c) the reasonably anticipated need for the facility or service to be provided;

(d) a description of the construction in reasonable detail, including: the ~~capital~~ expenditures contemplated; the estimated annual operating cost, including the anticipated salary and number of new staff necessitated by the proposal; and an evaluation of the energy efficiency and effectiveness of the construction, including estimated annual energy costs;

(e) ~~so far as is known~~, existing facilities within the area to be served ~~that offer the same or similar service~~; the extent *to which* existing facilities or services are used; the extent to which *alternate* space is available ~~from other sources~~, including *other school districts, post-secondary institutions for higher education*, or other public buildings; and the anticipated effect that the ~~proposal~~ *facility* will have on existing facilities and services;

(f) the anticipated benefit *of the facility* to the area ~~that will result from the facility~~;

(g) if known, the relationship of the proposed construction to any priorities ~~which that~~ have been established for the area to be served;

(h) the availability and manner of financing the facility and the estimated date to begin and complete the facility; and

(i) desegregation requirements that cannot be met by any other reasonable means.

Subd. 8. [REVIEW OF PROPOSALS.] In reviewing each proposal, the commissioner shall ~~submit to the school board~~, within 60 days of receiving the proposal, ~~the review and comment about the educational and economic advisability of approve or disapprove~~ the project. The ~~review and comment decision~~ shall be based on information submitted with the proposal and other information the commissioner determines is necessary.

Subd. 8a. [DISAPPROVAL.] The commissioner shall disapprove a project if the district could:

(1) purchase or lease a suitable facility in the district or an adjacent district that is not more than 12 miles from the proposed project; or

(2) enter into a cooperative facility agreement with another district.

Subd. 9. [PUBLICATION.] At least 20 days but not more than 60 days before a referendum for bonds or solicitation of bids to construct a facility, the school board shall publish the commissioner's ~~review and comment approval or disapproval~~ in a ~~legal~~ newspaper of general circulation in the area. Supplementary information shall be available to the public.

Subd. 10. [REPORT.] Before January 15 of each year, the commissioner shall report to the legislature about the number and nature of proposals for projects submitted according to this section, the nature of the ~~review and comment on the educational and economic advisability, and any recommendations~~ whether the projects were approved or disapproved.

Sec. 3. Minnesota Statutes 1987 Supplement, section 121.912, subdivision 1, is amended to read:

Subdivision 1. [LIMITATIONS.] Except as provided in this subdivision, sections 121.9121, 123.36, 4, 475.61, and 475.65, a school district may not permanently transfer money from (1) an operating fund to a nonoperating fund; (2) a nonoperating fund to another nonoperating fund; or (3) a nonoperating fund to an operating fund. Permanent transfers may be made from any fund to any other fund to correct for prior fiscal years' errors discovered after the books have been closed for that year. Permanent transfers may be made from the general fund to any other operating funds if the resources of the other fund are not adequate to finance approved expenditures from that other fund. Permanent transfers may also be made from the general fund to eliminate deficits in another fund when that other fund is being discontinued. When a district discontinues operation of a district-owned bus fleet or a substantial portion of a fleet, permanent transfers may be made from the fund balance account entitled "pupil transportation fund appropriated for bus purchases" to the capital expenditure fund, with the approval of the commissioner. The levy authorized pursuant to section ~~275.125, subdivision 11a~~ 124.244, shall be reduced by an amount equal to the amount transferred. Any school district may transfer any amount from the unappropriated fund balance account in its transportation fund to any other operating fund or to the appropriated fund balance account for bus purchases in its transportation fund.

Sec. 4. [124.243] [SCHOOL FACILITIES REVENUE.]

Subdivision 1. A school board shall by resolution adopted by a two-thirds vote of its governing body and after notice and hearing adopt a capital facility program. The program shall include repair and restoration for its existing district-owned facilities and plans for new construction. The program must set forth the facilities to be improved, a schedule of work not more than five years from the adoption or amendment of the program, the estimated cost of the improvements to be made, and the proposed methods of financing the program. The program is subject to commissioner approval under section 121.15. If the school district is a district under section 473.852, subdivision 11, the program must be made part of the capital improvement program of the district according to the procedures in section 473.863. The program must be reviewed by the

district annually before July 1 of each subsequent year, after notice and hearing. After the review, the program may be amended to include the ensuing five-year period.

Subd. 2. [REVENUE AMOUNT.] School facilities revenue for a district equals the lesser of:

- (1) \$150 times its actual pupil units for the school year; or*
- (2) the difference between \$450 times the actual pupil units for the school year and the unreserved balance in the school facilities account on June 30 of the second prior school year.*

Subd. 3. [SCHOOL FACILITIES LEVY.] To obtain school facilities revenue, a district may levy an amount not to exceed two mills times the adjusted assessed valuation of the district for the preceding year.

Subd. 4. [ALTERNATE LEVY.] If a district's school facilities revenue is less than \$150 times the actual pupil units for the school year, the levy shall be the following amount:

- (1) the levy determined in subdivision 2, times*
- (2) the ratio of the school facilities revenue to an amount equal to \$150 times the actual pupil units.*

Subd. 5. [SCHOOL FACILITIES AID.] A district's school facilities aid is the difference between the school facilities revenue and the school facilities levy. If the district does not levy the entire amount permitted, the aid is reduced proportionately.

Subd. 6. [USES OF REVENUE.] School facilities revenue may be used only for capital improvements for school facilities that are used primarily for academic instruction, special education, secondary vocational instruction, or community education, including the following:

- (1) to acquire land;*
- (2) to acquire or construct facilities, if approved by the commissioner of education according to applicable statutes and rules;*
- (3) to rent or lease facilities;*
- (4) to improve and repair sites, buildings, and permanent attached fixtures;*
- (5) to eliminate barriers or increase access to facilities by handicapped individuals;*
- (6) to comply with the uniform fire code adopted according to chapter 299F;*
- (7) to remove asbestos from school facilities, encapsulate asbestos, or make asbestos related repairs;*
- (8) to clean up and dispose of polychlorinated biphenyls found in school facilities;*
- (9) to clean up, remove, dispose of, and make repairs related to storing heating fuel or transportation fuels such as alcohol, gasoline, fuel oil, and special fuel, as defined in section 296.01;*
- (10) for energy audits for school facilities and to make modifications if the audit indicates the costs can be recovered within ten years;*
- (11) to improve facilities that are leased according to section 123.36,*

subdivision 10;

(12) to pay special assessments levied against school property, but not to pay assessments for service charges; and

(13) to pay principal and interest on state loans for energy conservation according to section 116J.37 or loans made under the northeast Minnesota economic protection trust fund act according to sections 298.292 to 298.298.

Subd. 7. [PROHIBITED USES.] Revenue under this section may not be used for the acquisition or betterment of athletic fields, gymnasiums in separate buildings, stadia, school bus garages, or other facilities primarily used for post-secondary vocational education, administration, or non-instructional purposes.

Subd. 8. [SEPARATE ACCOUNT.] School facilities revenue must be placed in a separate account within the capital expenditure fund.

Subd. 9. [FUND TRANSFERS.] Money in the account for school facilities revenue may not be transferred into any other account or fund, except that, subject to subdivisions 6 and 7, the school board may, by resolution, transfer money into the debt service fund to pay the amounts needed to meet, when due, principal and interest payments on certain obligations issued according to chapter 475.

Subd. 10. [INTEREST INCOME.] All interest income attributable to the school facilities revenue account shall be credited to the account.

Sec. 5. Minnesota Statutes 1987 Supplement, section 124.244, is amended to read:

124.244 [CAPITAL EXPENDITURE EQUIPMENT REVENUE.]

Subdivision 1. [REVENUE AMOUNT.] The capital expenditure equipment revenue for each district equals ~~\$153~~ \$100 times its actual pupil units counted according to section 124.17, subdivision 1, for the school year.

Subd. 2. [CAPITAL EXPENDITURE EQUIPMENT LEVY.] To obtain capital expenditure equipment revenue, a district may levy an amount not to exceed three mills times the adjusted assessed valuation of the district for the preceding year.

Subd. 3. [CAPITAL EXPENDITURE EQUIPMENT AID.] A district's capital expenditure equipment aid is the difference between the capital expenditure equipment revenue and the capital expenditure equipment levy. If a district does not levy the entire amount permitted, capital expenditure equipment aid must be reduced in proportion to the actual amount levied.

Subd. 4. [USES OF REVENUE.] Capital expenditure Equipment revenue may be used only for the following purposes:

- (1) to acquire land for school purposes;
- (2) to acquire or construct buildings for school purposes, if approved by the commissioner of education according to applicable statutes and rules;
- (3) to rent or lease buildings for school purposes;
- (4) to equip, reequip, improve, and repair school sites, buildings and permanent attached fixtures;
- (5) to eliminate barriers or increase access to school buildings by handicapped individuals;

(6) to bring school buildings into compliance with the uniform fire code adopted according to chapter 299F;

(7) to remove asbestos from school buildings, encapsulate asbestos, or make asbestos-related repairs;

(8) to clean up and dispose of polychlorinated biphenyls found in school buildings;

(9) to clean up, remove, dispose of, and make repairs related to storing heating fuel or transportation fuels such as alcohol, gasoline, fuel oil, and special fuel, as defined in section 296.01;

(10) for energy audits for school buildings and to make modifications if the audit indicates the costs can be recovered within ten years;

(11) to improve buildings that are leased according to section 123.36, subdivision 10;

(12) to pay special assessments levied against school property but not to pay assessments for service charges;

(13) to pay capital expenditure assessments of an educational cooperative service unit;

(14) to pay principal and interest on state loans for energy conservation according to section 116J.37 or loans made under the northeast Minnesota economic protection trust fund act according to sections 298.292 to 298.298;

(15) (2) to purchase or lease computers and related materials, copying machines, and telecommunications equipment, and other noninstructional equipment;

(16) (3) to purchase or lease equipment for secondary vocational education programs or senior secondary industrial arts instructional programs; and

(17) (4) to purchase textbooks.

Sec. 6. [124.82] [BUILDING CONSTRUCTION DOWN PAYMENT PROGRAM.]

Subdivision 1. [CREATION OF A DOWN PAYMENT ACCOUNT.] A school district may create a down payment account as a separate account in its construction fund. All proceeds from the down payment levy must be deposited in this account.

Subd. 2. [USES OF THE ACCOUNT.] Money in the down payment account may be used as a down payment for the future costs of acquisition and betterment for a project that has been approved according to section 121.15.

Subd. 3. [FACILITIES DOWN PAYMENT LEVY REFERENDUM.] A district may levy the millage approved by a majority of the electors voting on the question to provide funds for a down payment for an approved project. The election must take place no more than five years before the estimated date of commencement of the project. The referendum shall be held on a date set by the school board. A referendum for a project not receiving approval by the commissioner must be approved by at least 60 percent of the voters at the election. The referendum may be called by the school board and may be held:

(1) separately, prior to an election for the issuance of obligations for

the approved project under chapter 475; or

(2) in conjunction with an election for the issuance of obligations for the approved project under chapter 475; or

(3) notwithstanding section 475.59, as a conjunctive question authorizing both the down payment levy and the issuance of obligations for the approved project under chapter 475. Any obligations authorized for an approved project may be issued within five years of the date of the election.

The ballot must provide a general description of the proposed project, state the estimated total cost of the project, state that the project has been approved or disapproved by the commissioner of education, state the maximum amount of the down payment levy in mills, state the amount that will be raised by that millage in the first year it is to be levied, and state the maximum number of years that the levy authorization will apply.

The ballot must contain a textual portion with the information required in this section and a question stating substantially the following:

"Shall the down payment levy proposed by the board of School District No. be approved?"

If approved, the amount provided by the approved millage applied to each year's taxable valuation shall be authorized for certification for the number of years approved.

In the event a conjunctive question proposes to authorize both the down payment levy and the issuance of obligations for the project, appropriate language authorizing the issuance of obligations shall also be included in the question.

The district must notify the commissioner of education of the results of the referendum.

Subd. 4. [EXCESS BUILDING CONSTRUCTION FUND LEVY PROCEEDS.] Any funds remaining in the down payment account that are not applied to the payment of the costs of the approved project prior to its final completion must be transferred to the district's debt redemption fund.

Sec. 7. Minnesota Statutes 1986, section 275.125, is amended by adding a subdivision to read:

Subd. 4a. [DOWN PAYMENT LEVY.] A school district may levy the amount authorized for a down payment levy according to section 6.

Sec. 8. [EFFECTIVE DATES.]

Sections 1 and 2 are effective the day following final enactment for projects that have not been submitted to the department for review and comment under Minnesota Statutes 1986, section 121.15. Sections 4 and 5 are effective for revenue for the 1989-1990 school year and thereafter."

Delete the title and insert:

"A bill for an act relating to education; establishing general education revenue for fiscal year 1990; modifying aspects of educational programs for American Indian people; providing for certain levying authority and limitations; modifying certain levies, aid, and grant programs; establishing learning year program sites; providing for revenue for school facilities; appropriating money; amending Minnesota Statutes 1986, sections 120.08, subdivision 2; 121.15; 124.214, subdivision 2; 124.48, subdivision 2; 126.151; 126.45;

126.46; 126.47; 126.49, subdivision 1; 126.51, subdivisions 1, 2, 4, and by adding a subdivision; 126.52; 126.531; 126.56, subdivision 2; 129B.20, subdivision 1; 136D.74, by adding subdivisions; 136D.81; 275.125, by adding subdivisions; 354.52, subdivision 4; 354A.12, subdivision 2; Minnesota Statutes 1987 Supplement, sections 120.17, subdivision 3b; 121.912, subdivision 1; 124.17, subdivision 1; 124.214, subdivision 3; 124.225, subdivision 8a; 124.244; 124A.22, subdivision 2; 124A.23, subdivisions 1 and 5; 124A.28, subdivision 1; 126.22, subdivisions 2 and 3; 126.23; 129B.11, subdivision 2, and by adding a subdivision; 129B.53, by adding a subdivision; 129B.55, by adding a subdivision; 136D.27; 136D.87; 275.125, subdivision 5; Laws 1959, chapter 462, section 3, subdivision 4, as amended; Laws 1987, chapter 398, articles 3, section 39, subdivisions 2 and 7; and 10, section 2, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapters 120, 121, 124, 124A, 125, 126, 129B, and 135A; repealing Minnesota Statutes 1986, sections 120.0752, as amended; 126.51, subdivision 3; Minnesota Statutes 1987 Supplement, sections 123.3515; 124A.27, subdivision 10; and Laws 1984, chapter 463, article 7, section 45."

And when so amended the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Amendments adopted. Report adopted.

Mr. Purfeerst from the Committee on Transportation, to which was referred

S.F. No. 1948: A bill for an act relating to drivers' licenses; allowing stepparent married to custodial parent of minor to approve minor's driver's license application; amending Minnesota Statutes 1986, section 171.04.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

H.F. No. 81: A bill for an act relating to local government; providing for the use of certain city reserve funds; amending Minnesota Statutes 1986, section 471.572, subdivision 3.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

Mr. Davis from the Committee on Agriculture, to which was referred

H.F. No. 2469: A bill for an act relating to agriculture; regulating sales of anhydrous ammonia; proposing coding for new law in Minnesota Statutes, chapter 239.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Davis from the Committee on Agriculture, to which was re-referred

S.F. No. 2042: A bill for an act relating to agriculture; appropriating money for purple loosestrife eradication grants.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 10, delete "farmers" and insert "private landowners"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 2491: A bill for an act relating to metropolitan government; establishing various requirements on agency organization, work programs, budgets, and reports; amending Minnesota Statutes 1986, sections 473.13, subdivision 1; 473.146, subdivision 3; 473.173, subdivision 6; 473.245; and 473.375, subdivision 16; Minnesota Statutes 1987 Supplement, section 473.1623, subdivisions 4 and 6.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, after line 9, insert:

"Sec. 2. Minnesota Statutes 1986, section 473.13, is amended by adding a subdivision to read:

Subd. 1a. [PROGRAM EVALUATION.] The budget procedure of the council must include a substantive assessment and evaluation of the effectiveness of each significant program of the council, with, to the extent possible, quantitative information on the status, progress, costs, benefits, and effects of each program. The council shall transmit the evaluation to the legislature annually."

Page 2, line 19, after "needs" insert "and problems"

Page 2, line 20, strike the first "and" and insert ", including the present and prospective demand for and constraints on access to regional business concentrations and other major activity centers and the constraints on and acceptable levels of development and vehicular trip generation at such centers;

(2)"

Page 2, line 22, strike "(2)" and insert "(3)"

Page 2, line 24, strike "(3)" and insert "(4)"

Page 2, line 26, strike "(4)" and insert "(5)"

Page 2, line 28, strike "(5)" and insert "(6)"

Page 2, line 31, delete "(6)" and insert "(7)"

Page 3, line 35, before "consulting" insert "proposed or anticipated" and after "contracts" insert "or projects"

Page 3, line 36, before the period insert "or project"

Page 4, line 20, after "on" insert "employee" and after "salaries" insert "under clause (1)"

Page 4, line 23, after "benefits" insert "granted to individuals"

Page 4, line 24, before the period, insert "or agency"

Pages 5 and 6, delete sections 6 and 7 and insert:

"Sec. 7. Minnesota Statutes 1986, section 473.38, is amended by adding a subdivision to read:

Subd. 4. [PROGRAM EVALUATION.] The budget procedure of the board must include a substantive assessment and evaluation of the effectiveness of each significant program of the board, with, to the extent possible, quantitative information on the status, progress, costs, benefits, and effects of each program. The board shall transmit the evaluation to the legislature annually."

Page 6, line 14, after "APPLICATION" insert "; EFFECTIVE DATE"

Page 6, line 16, before the period, insert ", on the day following final enactment"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, before the semicolon, insert ", and by adding a subdivision"

Page 1, line 7, delete everything before "Minnesota" and insert "473.38, by adding a subdivision,"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

H.F. No. 1710: A bill for an act relating to crime; prohibiting the display of sexually explicit material deemed harmful to minors in places of public accommodation open to minors; providing a penalty; amending Minnesota Statutes 1986, sections 617.293; and 617.296, subdivision 1, and by adding a subdivision.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Pehler from the Committee on Education, to which was re-referred

S.F. No. 1940: A bill for an act relating to transportation; excluding certain publicly owned transit buses in Duluth from certain definitions of school bus.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 10, delete "children" and insert "secondary students"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Davis from the Committee on Agriculture, to which was re-referred

S.F. No. 2041: A bill for an act relating to agriculture; shifting the responsibility for eradication of purple loosestrife in certain public waters and wetlands; amending Minnesota Statutes 1986, section 18.191.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [18.192] [CONTROL OF PURPLE LOOSESTRIFE ON PUBLIC WATERS AND WETLANDS.]

Subdivision 1. [DEFINITION OF PUBLIC WATERS AND WETLANDS.] "Public waters and wetlands" means public waters and wetlands designated under section 105.391.

*Subd. 2. [COMMISSIONER'S RESPONSIBILITY FOR PUBLIC WATERS ON PRIVATE LANDS.] An owner of nonfederal lands underlying public waters and wetlands is not required to control or eradicate purple loosestrife, *lythrum salicaria*, below the ordinary high water level of the public waters or wetlands. The commissioner of natural resources is responsible for control and eradication of purple loosestrife on public waters and wetlands, except public waters and wetlands that are located on land owned or managed by the United States.*

Subd. 3. [TERMINATION OF COMMISSIONER'S AUTHORITY ON ASSUMPTION BY LANDOWNER.] The responsibility of the commissioner of natural resources to control and eradicate purple loosestrife on public waters and wetlands located on private lands and the authority to enter private lands is terminated ten days after receipt by the commissioner of a written statement from the landowner that the landowner assumes responsibility for control and eradication of purple loosestrife under sections 18.171 to 18.315."

Amend the title as follows:

Page 1, line 2, delete "shifting" and insert "clarifying"

Page 1, line 4, delete everything after the semicolon and insert "proposing coding for new law in Minnesota Statutes, chapter 18."

Page 1, delete line 5

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 2286: A bill for an act relating to environment; amending certain statutes administered by the environmental quality board; prohibiting delegation of responsibilities; authorizing certain enforcement actions; prohibiting construction of certain projects; requiring project proposers to pay costs of environmental impact statements; appropriating money; amending Minnesota Statutes 1986, sections 116C.04, by adding a subdivision; 116D.04, by adding subdivisions; and 116D.045, subdivisions 1, 2, 3, and 4; Minnesota Statutes 1987 Supplement, section 116C.03, subdivision 2; repealing Minnesota Statutes 1986, section 116D.045, subdivision 5.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, delete lines 10 to 22 and insert:

"Subd. 2b. If an environmental assessment worksheet or an environmental impact statement is required for a governmental action under subdivision 2a, a project may not be started and a final governmental decision may not be made to grant a permit, approve a project, or begin a project, until:

(1) a petition for an environmental assessment worksheet is dismissed;

(2) a negative declaration has been issued on the need for an environmental impact statement;

(3) the environmental quality board has determined an environmental impact statement is adequate; or

(4) a variance has been granted from making an environmental impact statement by the environmental quality board."

Page 2, line 25, delete "A provision of" and delete ", a rule adopted"

Page 2, line 26, delete everything before "may"

Page 2, delete line 29

Page 2, line 30, delete "subdivision"

Page 2, line 31, before the period, insert ", the attorney general may bring an action under this subdivision"

Page 2, lines 34 and 35, strike ", no later than January 1, 1977,"

Page 3, line 5, strike "in accordance with subdivision 5 and"

Page 3, strike lines 6 and 7

Page 3, line 8, strike "1977"

Page 3, line 25, reinstate the stricken language and delete the new language and insert a period

Page 3, delete lines 26 and 27

Page 3, line 34, strike "with"

Page 3, lines 35 and 36, delete the new language

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was re-referred

H.F. No. 1277: A bill for an act relating to transportation; providing for state park road account funds to be used for lake access roads; amending Minnesota Statutes 1986, section 162.06, subdivision 5.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 14, strike "but"

Page 1, line 15, strike "not to exceed the sum of \$600,000 annually"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 2382: A bill for an act relating to commerce; clarifying certain procedures and fees relating to the statewide uniform commercial code computerized filing system; amending Minnesota Statutes 1987 Supplement, sections 336.9-407; 336.9-411; and 336.9-413.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

S.F. No. 1987: A bill for an act relating to state government; regulating state employment; establishing policies regarding full-time and part-time employees; amending Minnesota Statutes 1986, sections 16A.11, subdivision 3; 16A.123, subdivision 3; 43A.01, by adding a subdivision; 43A.05, subdivision 5; 43A.24, subdivision 1, and by adding a subdivision; and 43A.25.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [STUDY.]

The commissioner of employee relations shall conduct a study of the use of part-time employees in the executive branch work force. In conducting the study, the commissioner must consult with exclusive representatives of state employees. The commissioner shall report the results of the study to the legislature by June 30, 1989. The report must include:

(1) the evaluation of a policy that encourages use of full-time, as opposed to part-time, executive branch employees;

(2) the circumstances under which it is essential for executive branch agencies to use part-time employees;

(3) a summary showing the percentages of employees in each executive branch appointing authority, and in each job classification with more than ten incumbents, that are full-time unlimited, part-time unlimited, full-time or part-time seasonal, intermittent, temporary, and emergency, as of the date that the commissioner compiles the summary;

(4) an analysis of overall trends in the use of part-time, intermittent, and temporary employees in the executive branch over the past five years, and of significant trends in the use of part-time employees in individual executive branch agencies;

(5) an evaluation of alternative methods of assuring that all state employees, whether employed full-time or part-time, have adequate hospital and medical insurance benefits; and

(6) recommendations for changes in law needed to accomplish the policies in clauses (1) and (5).

The summary required by clause (3) must note which job classifications are male-dominated, female-dominated, and balanced.”

Delete the title and insert:

“A bill for an act relating to state government; requiring the commissioner of employee relations to study the use of part-time employees in the executive branch work force; requiring a report.”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2558 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
		2558	2224		

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1534 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1534	1469				

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2559 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2559	2288				

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2092 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2092	1952				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2092 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2092 and insert the language after the enacting clause of S.F. No. 1952, the first engrossment; further, delete the title of H.F. No. 2092 and insert the title of S.F. No. 1952, the first engrossment.

And when so amended H.F. No. 2092 will be identical to S.F. No. 1952, and further recommends that H.F. No. 2092 be given its second reading and substituted for S.F. No. 1952, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2029 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2029	1911				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2029 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2029 and insert the language after the enacting clause of S.F. No. 1911, the first engrossment; further, delete the title of H.F. No. 2029 and insert the title of S.F. No. 1911, the first engrossment.

And when so amended H.F. No. 2029 will be identical to S.F. No. 1911, and further recommends that H.F. No. 2029 be given its second reading and substituted for S.F. No. 1911, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2018 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2018	1786				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2018 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2018 and insert the language after the enacting clause of S.F. No. 1786, the first engrossment; further, delete the title of H.F. No. 2018 and insert the title of S.F. No. 1786, the first engrossment.

And when so amended H.F. No. 2018 will be identical to S.F. No. 1786, and further recommends that H.F. No. 2018 be given its second reading and substituted for S.F. No. 1786, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1950 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1950	1897				

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2120 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2120	1859				

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1966 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1966	2177				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1966 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1966 and insert the language after the enacting clause of S.F. No. 2177; further, delete the title of H.F. No. 1966 and insert the title of S.F. No. 2177.

And when so amended H.F. No. 1966 will be identical to S.F. No. 2177, and further recommends that H.F. No. 1966 be given its second reading and substituted for S.F. No. 2177, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2036 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2036	1934				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2036 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2036 and insert the language after the enacting clause of S.F. No. 1934, the first engrossment; further, delete the title of H.F. No. 2036 and insert the title of S.F. No. 1934, the first engrossment.

And when so amended H.F. No. 2036 will be identical to S.F. No. 1934, and further recommends that H.F. No. 2036 be given its second reading and substituted for S.F. No. 1934, and that the Senate File be indefinitely

postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1913 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1913	2054				

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2340 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2340	2124				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2340 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2340 and insert the language after the enacting clause of S.F. No. 2124, the first engrossment; further, delete the title of H.F. No. 2340 and insert the title of S.F. No. 2124, the first engrossment.

And when so amended H.F. No. 2340 will be identical to S.F. No. 2124, and further recommends that H.F. No. 2340 be given its second reading and substituted for S.F. No. 2124, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1486 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1486	1442				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1486 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1486 and insert the language after the enacting clause of S.F. No. 1442, the second engrossment; further, delete the title of H.F. No. 1486 and insert the title of S.F. No. 1442, the second engrossment.

And when so amended H.F. No. 1486 will be identical to S.F. No. 1442, and further recommends that H.F. No. 1486 be given its second reading and substituted for S.F. No. 1442, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1748 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1748	1972				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1748 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1748 and insert the language after the enacting clause of S.F. No. 1972, the first engrossment; further, delete the title of H.F. No. 1748 and insert the title of S.F. No. 1972, the first engrossment.

And when so amended H.F. No. 1748 will be identical to S.F. No. 1972, and further recommends that H.F. No. 1748 be given its second reading and substituted for S.F. No. 1972, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1923 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1923	1668				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1923 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1923 and insert the language after the enacting clause of S.F. No. 1668, the first engrossment; further, delete the title of H.F. No. 1923 and insert the title of S.F. No. 1668, the first engrossment.

And when so amended H.F. No. 1923 will be identical to S.F. No. 1668, and further recommends that H.F. No. 1923 be given its second reading and substituted for S.F. No. 1668, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2025 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2025	1982				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2025 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2025 and insert the language after the enacting clause of S.F. No. 1982, the first engrossment; further, delete the title of H.F. No. 2025 and insert the title of S.F. No. 1982, the first engrossment.

And when so amended H.F. No. 2025 will be identical to S.F. No. 1982, and further recommends that H.F. No. 2025 be given its second reading and substituted for S.F. No. 1982, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 1948, 2491, 1940, 2286 and 1987 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 81, 2469, 1710, 1277, 2558, 1534, 2559, 2092, 2029, 2018, 1950, 2120, 1966, 2036, 1913, 2340, 1486, 1748, 1923 and 2025 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Dahl moved that the name of Mr. Luther be added as a co-author to S.F. No. 1462. The motion prevailed.

Mr. Freeman moved that his name be stricken as chief author and the name of Mr. Luther be added as chief author to S.F. No. 1532. The motion prevailed.

Ms. Berglin moved that the name of Mr. Brandl be added as a co-author to S.F. No. 1583. The motion prevailed.

Ms. Berglin moved that the name of Mr. Morse be added as a co-author to S.F. No. 1680. The motion prevailed.

Mr. Pogemiller moved that the name of Mr. Ramstad be added as a co-author to S.F. No. 2506. The motion prevailed.

Messrs. Dahl; Johnson, D.J. and Merriam introduced—

Senate Concurrent Resolution No. 24: A Senate concurrent resolution deploring acts of violence, threats of violence, and other criminal acts against reproductive health care facilities, and exhorting law enforcement agencies to investigate such acts and apprehend and prosecute those responsible for their perpetration.

Mr. Moe, R.D. moved that Senate Concurrent Resolution No. 24 be laid on the table. The motion prevailed.

Mr. Storm introduced—

Senate Resolution No. 124: A Senate resolution congratulating the Edina Hornets Hockey Team for winning the 1988 State High School Hockey Championship.

Referred to the Committee on Rules and Administration.

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the Consent Calendar. The motion prevailed.

CONSENT CALENDAR

H.F. No. 1922: A bill for an act relating to crimes; prohibiting the sale or distribution of contraceptives on elementary and secondary school grounds; repealing the prohibition against the sale of articles relating to prevention of conception or disease; prescribing a penalty; proposing coding for new law in Minnesota Statutes, chapter 617; repealing Minnesota Statutes 1986, section 617.251.

Pursuant to Rule No. 9, there being three objectors, H.F. No. 1922 was stricken from the Consent Calendar and placed on General Orders.

H.F. No. 1766: A bill for an act relating to local government; making explicit the power of towns to take certain action at a special meeting; amending Minnesota Statutes 1986, section 477A.018, subdivision 1.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	Decker	Jude	Moe, R.D.	Samuelson
Anderson	DeCramer	Knaak	Morse	Schmitz
Beckman	Dicklich	Kroening	Novak	Solon
Belanger	Diessner	Laidig	Olson	Spear
Benson	Frank	Langseth	Pehler	Storm
Berg	Frederick	Lantry	Peterson, D.C.	Stumpf
Bernhagen	Frederickson, D.J.	Larson	Peterson, R. W.	Taylor
Bertram	Frederickson, D.R.	Lessard	Piper	Vickerman
Brandl	Freeman	Luther	Pogemiller	Waldorf
Chmielewski	Gustafson	McQuaid	Purfeerst	Wegscheid
Cohen	Hughes	Mehrkens	Ramstad	
Dahl	Johnson, D.E.	Metzen	Reichgott	
Davis	Johnson, D.J.	Moe, D.M.	Renneke	

Ms. Berglin and Mr. Merriam voted in the negative.

So the bill passed and its title was agreed to.

H.F. No. 1926: A bill for an act relating to emergency services; permitting political subdivisions to authorize aid under certain conditions; amending Minnesota Statutes 1986, section 12.27, by adding a subdivision.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Moe, D.M.	Samuelson
Anderson	Decker	Knaak	Moe, R.D.	Schmitz
Beckman	DeCramer	Kroening	Morse	Solon
Belanger	Dicklich	Laidig	Novak	Spear
Benson	Diessner	Langseth	Olson	Storm
Berg	Frank	Lantry	Pehler	Stumpf
Berglin	Frederick	Larson	Peterson, D.C.	Taylor
Bernhagen	Frederickson, D.J.	Lessard	Peterson, R. W.	Vickerman
Bertram	Frederickson, D.R.	Luther	Piper	Waldorf
Brandl	Freeman	Marty	Pogemiller	Wegscheid
Brataas	Gustafson	McQuaid	Purfeerst	
Chmielewski	Hughes	Mehrkens	Ramstad	
Cohen	Johnson, D.E.	Merriam	Reichgott	
Dahl	Johnson, D.J.	Metzen	Renneke	

So the bill passed and its title was agreed to.

H.F. No. 2056: A bill for an act relating to state lands; requiring corrective deed to be issued to Basilica of St. Mary of Minneapolis for state lands authorized to be conveyed to Basilica of St. Mary's, Inc.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Moe, D.M.	Samuelson
Anderson	Decker	Knaak	Moe, R.D.	Schmitz
Beckman	DeCramer	Kroening	Morse	Solon
Belanger	Dicklich	Laidig	Novak	Spear
Benson	Diessner	Langseth	Olson	Storm
Berg	Frank	Lantry	Pehler	Stumpf
Berglin	Frederick	Larson	Peterson, D.C.	Taylor
Bernhagen	Frederickson, D.J.	Lessard	Peterson, R.W.	Vickerman
Bertram	Frederickson, D.R.	Luther	Piper	Waldorf
Brandl	Freeman	Marty	Pogemiller	Wegscheid
Brataas	Gustafson	McQuaid	Purfeerst	
Chmielewski	Hughes	Mehrkens	Ramstad	
Cohen	Johnson, D.E.	Merriam	Reichgott	
Dahl	Johnson, D.J.	Metzen	Renneke	

So the bill passed and its title was agreed to.

H.F. No. 1816: A bill for an act relating to traffic regulations; requiring motor vehicle lessors to provide child passenger restraints on request; amending Minnesota Statutes 1987 Supplement, section 169.685, subdivision 6.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	McQuaid	Ramstad
Anderson	Davis	Johnson, D.J.	Mehrkens	Reichgott
Beckman	Decker	Jude	Metzen	Renneke
Belanger	DeCramer	Knaak	Moe, D.M.	Samuelson
Benson	Dicklich	Knutson	Moe, R.D.	Schmitz
Berg	Diessner	Kroening	Morse	Solon
Berglin	Frank	Laidig	Novak	Spear
Bernhagen	Frederick	Langseth	Olson	Storm
Bertram	Frederickson, D.J.	Lantry	Pehler	Stumpf
Brandl	Frederickson, D.R.	Larson	Peterson, D.C.	Taylor
Brataas	Freeman	Lessard	Piper	Vickerman
Chmielewski	Gustafson	Luther	Pogemiller	Waldorf
Cohen	Hughes	Marty	Purfeerst	Wegscheid

Messrs. Merriam and Peterson, R.W. voted in the negative.

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 2270 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 2270: A bill for an act relating to natural resources; authorizing a private sale of surplus state property to the Memorial Hospital Association of Cambridge.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Metzen	Renneke
Anderson	Decker	Knaak	Moe, D.M.	Samuelson
Beckman	DeCramer	Knutson	Moe, R.D.	Schmitz
Belanger	Dicklich	Kroening	Morse	Solon
Benson	Diessner	Laidig	Novak	Spear
Berg	Frank	Langseth	Olson	Storm
Berglin	Frederick	Lantry	Pehler	Stumpf
Bernhagen	Frederickson, D.J.	Larson	Peterson, D.C.	Taylor
Bertram	Frederickson, D.R.	Lessard	Peterson, R.W.	Vickerman
Brandl	Freeman	Luther	Piper	Waldorf
Brataas	Gustafson	Marty	Pogemiller	Wegscheid
Chmielewski	Hughes	McQuaid	Purferst	
Cohen	Johnson, D.E.	Mehrkens	Ramstad	
Dahl	Johnson, D.J.	Merriam	Reichgott	

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the General Orders Calendar. The motion prevailed.

GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Hughes in the chair.

After some time spent therein, the committee arose, and Mr. Hughes reported that the committee had considered the following:

S.F Nos. 1646, 1686, 1228, 1918, 1822, 1673, 1121, 1826, 1701, 1970, 1086 and H.F Nos. 1867, 1846, 1790, 1806, 1940, 1784, 1989, 1732, 1831, 1850, 1858 and 1817, which the committee recommends to pass.

S.F No. 573, which the committee recommends be re-referred to the Committee on Governmental Operations.

S.F No. 890, which the committee recommends be returned to its author.

S.F No. 1542, which the committee recommends be returned to its author.

H.F No. 320, which the committee recommends to pass with the following amendment offered by Mr. Peterson, R.W.:

Delete everything after the enacting clause and insert:

“Section 1. [REPEALER.]

Minnesota Statutes 1986, sections 459.15, 459.16, 459.17, and 459.18 are repealed.”

Delete the title and insert:

“A bill for an act relating to public rest rooms; eliminating provisions regulating public rest rooms maintained by statutory cities and cities of the fourth class; repealing Minnesota Statutes 1986, sections 459.15 to 459.18.”

The motion prevailed. So the amendment was adopted.

S.F No. 1875, which the committee recommends to pass with the following amendment offered by Mr. Bertram:

Page 2, line 7, after the first “of” insert “*Minnesota Statutes, chapter*

44,"

Page 2, delete lines 10 and 11

Page 2, line 12, delete "(3)" and insert "(2)"

Page 2, line 16, delete "(4)" and insert "(3)"

Page 2, line 20, delete "sections" and insert "section" and after "4;" insert "or"

Page 2, lines 20 and 21, delete "; or 197.46"

The motion prevailed. So the amendment was adopted.

S.F. No. 1587, which the committee recommends to pass with the following amendments offered by Messrs. Vickerman and Knutson:

Mr. Vickerman moved to amend S.F. No. 1587 as follows:

Page 1, line 12, after "machines" insert "*dispensing food, beverages, or milk*"

The motion prevailed. So the amendment was adopted.

Mr. Knutson moved to amend the Vickerman amendment to S.F. No. 1587, adopted by the Senate March 21, 1988, as follows:

Page 1, line 2, after "*food,*" insert "*nonalcoholic*"

The motion prevailed. So the amendment to the amendment was adopted.

S.F. No. 1564, which the committee recommends to pass with the following amendment offered by Mr. Frederickson, D.R.:

Page 1, delete lines 13 to 18

Renumber the clauses in sequence

Page 3, line 8, delete "(i)" and insert "(1)"

Page 3, line 10, delete "(ii)" and insert "(2)"

Page 3, line 12, delete "(iii)" and insert "(3)"

Page 3, line 25, before "*Notwithstanding*" insert "*Until January 1, 1990, and*"

Page 3, delete section 3

Page 3, line 33, delete everything after the first period

Renumber the sections in sequence

The motion prevailed. So the amendment was adopted.

H.F. No. 1853, which the committee recommends to pass with the following amendment offered by Ms. Peterson, D.C.:

Amend H.F. No. 1853, as amended pursuant to Rule 49, adopted by the Senate March 7, 1988, as follows:

(The text of the amended House File is identical to S.F. No. 1758.)

Page 2, after line 10, insert:

"Sec. 2. [62A.30] [COVERAGE FOR DIAGNOSTIC PROCEDURES FOR CANCER.]

Subdivision 1. [SCOPE OF COVERAGE.] This section applies to all

policies of accident and health insurance, health maintenance contracts regulated under chapter 62D, health benefit certificates offered through a fraternal beneficiary association regulated under chapter 64B, and group subscriber contracts offered by nonprofit health service plan corporations regulated under chapter 62C, but does not apply to policies designed primarily to provide coverage payable on a per diem, fixed indemnity or nonexpense incurred basis, or policies that provide only accident coverage.

Subd. 2. [REQUIRED COVERAGE.] Every policy, plan, certificate, or contract referred to in subdivision 1 issued or renewed after August 1, 1988, must provide coverage for routine screening procedures for cancer, including mammograms and Pap smears, when ordered or performed by a physician in accordance with the standard practice of medicine."

Re-number the sections in sequence

Amend the title as follows:

Page 1, line 10, after the semicolon, insert "requiring coverage for routine diagnostic procedures for cancer;"

Page 1, line 11, before the period, insert "proposing coding for new law in Minnesota Statutes, chapter 62A"

The motion prevailed. So the amendment was adopted.

H.F. No. 85, which the committee recommends to pass with the following amendment offered by Mr. Dahl:

Amend H.F. No. 85, the unofficial engrossment, as follows:

Pages 3 and 4, delete section 2

Page 16, after line 21, insert:

"Sec. 12. [EFFECTIVE DATE.]

This act is effective October 1, 1988."

Re-number the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 1749, which the committee recommends to pass with the following amendment offered by Mr. Pogemiller:

Page 1, line 17, after the period, insert "*No bond required from a developer or a contractor on a development project for any works of construction may be waived or reduced under this section.*"

Page 2, line 5, after the period, insert "*No bond required from a developer or a contractor on a development project for any works of construction may be waived or reduced under this subdivision.*"

The motion prevailed. So the amendment was adopted.

S.F. No. 1867, which the committee recommends to pass with the following amendment offered by Ms. Piper:

Page 12, line 16, after "complete" insert "*and usable as promised at time of sale,*"

Page 12, line 17, after "section" insert a comma

Page 12, line 19, after the period, insert "*The performance bond must meet the criteria in this section except that if the structure is partially completed, the bond must cover only the remaining construction costs necessary to complete the structure as promised at time of sale.*"

The motion prevailed. So the amendment was adopted.

H.F. No. 2083, which the committee recommends to pass, subject to the following motions:

Mr. Vickerman moved that the amendment made to H.F. No. 2083 by the Committee on Rules and Administration in the report adopted March 10, 1988, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

Mr. Vickerman then moved to amend H.F. No. 2083 as follows:

Page 1, line 11, delete "*must*" and insert "*over two months old may*"

Page 3, line 35, after "*age*" insert "*or*"

The motion prevailed. So the amendment was adopted.

S.F. No. 2137, which the committee recommends to pass with the following amendment offered by Mr. Pehler:

Page 1, line 21, before the semicolon, insert "*or continue to employ a registered nurse not yet certified as a public health nurse who is enrolled in a program that would lead to certification within four years of the effective date of this section*"

Page 1, lines 22 and 23, delete "*or health-related*"

Page 1, line 24, delete "*services*" and insert "*personnel*"

Page 1, line 25, delete "*that are provided by personnel*"

The motion prevailed. So the amendment was adopted.

S.F. No. 1742, which the committee recommends to pass with the following amendments offered by Messrs. Stumpf, Berg and Freeman:

Mr. Stumpf moved to amend S.F. No. 1742 as follows:

Page 5, line 5, after "*owner*" insert "*, except a former owner who is actively engaged in farming as defined in section 500.24, subdivision 2, paragraph (a),*"

The motion prevailed. So the amendment was adopted.

Mr. Berg moved to amend S.F. No. 1742 as follows:

Page 4, line 36, before the period, insert "*or to cure a title defect, an express statement conveying the right may be made to a person to whom the agricultural land has been transferred by the state or federal agency or corporation*"

The motion prevailed. So the amendment was adopted.

Mr. Freeman moved to amend S.F. No. 1742 as follows:

Page 5, line 10, delete "*treble*"

The motion prevailed. So the amendment was adopted.

S.F. No. 1620, which the committee recommends to pass with the following amendment offered by Ms. Piper:

Page 2, line 4, after the period, insert "*In establishing services the commissioner shall cooperate with existing agencies to avoid duplication of available services to the extent feasible.*"

The motion prevailed. So the amendment was adopted.

On motion of Mr. Moe, R.D., the report of the Committee of the Whole, as kept by the Secretary, was adopted.

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate revert to the Orders of Business of Reports of Committees, Second Reading of Senate Bills and Second Reading of House Bills. The motion prevailed.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Purfeerst from the Committee on Transportation, to which was referred

S.F. No. 1336: A bill for an act relating to traffic regulations; providing for restrictions on vehicles transporting firewood on highways; amending Minnesota Statutes 1986, section 169.81, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 7, insert:

"Section 1. Minnesota Statutes 1986, section 169.80, subdivision 1, is amended to read:

Subdivision 1. [LIMITATIONS.] It is a misdemeanor for a person to drive or move, or for the owner to cause or knowingly permit to be driven or moved, on a highway a vehicle or vehicles of a size or weight exceeding the limitations stated in sections 169.80 to 169.88, or otherwise in violation of sections 169.80 to 169.88, *other than section 2*, and the maximum size and weight of vehicles as prescribed in sections 169.80 to 169.88 shall be lawful throughout this state, and local authorities shall have no power or authority to alter these limitations except as express authority may be granted in sections 169.80 to 169.88.

When all the axles of a vehicle or combination of vehicles are weighed separately the sum of the weights of the axles so weighed shall be evidence of the total gross weight of the vehicle or combination of vehicles so weighed.

When each of the axles of any group that contains two or more consecutive axles of a vehicle or combination of vehicles have been weighed separately the sum of the weights of the axles so weighed shall be evidence of the total gross weight on the group of axles so weighed.

When, in any group of three or more consecutive axles of a vehicle or combination of vehicles any axles have been weighed separately and two or more axles consecutive to each other in the group have been weighed together, the sum of the weights of the axles weighed separately and the axles weighed together shall be evidence of the total gross weight of the group of axles so weighed.

The provisions of sections 169.80 to 169.88 governing size, weight, and

load shall not apply to fire apparatus, or to implements of husbandry temporarily moved upon a highway, or to loads of loose hay or corn stalks if transported by a horse-drawn vehicle or drawn by a farm tractor, or to a vehicle operated under the terms of a special permit issued as provided by law. For purposes of sections 169.80 to 169.88, a specialized vehicle resembling a low-slung two-wheel trailer having a short bed or platform shall be deemed to be an implement of husbandry when the vehicle is used exclusively to transport implements of husbandry; and the term "temporarily moved upon a highway" shall mean a movement not to exceed 50 miles.

In addition to any other special permits authorized, an annual permit may be issued authorizing movements on interstate highways and movements exceeding 50 miles on noninterstate highways of oversize vehicles and loads when the vehicles or combination of vehicles are used exclusively to transport implements of husbandry. Annual permits are issued in accordance with the applicable provisions of section 169.86, except that the transporting vehicle or combination of vehicles may be moved at the discretion of the permittee without prior route approval from the permit issuing office of the department of transportation if:

(a) The overall width of the transporting vehicle, including load, does not exceed 14 feet;

(b) The transporting vehicle otherwise complies with equipment requirements and length, height and weight limitations prescribed by this chapter;

(c) The movement is made after the hour of sunrise and not later than 30 minutes after sunset;

(d) The movement is not made when visibility is impaired by weather, fog or other conditions rendering persons and vehicles not clearly visible at a distance of 500 feet, or on Sundays after 12 o'clock noon, and holidays;

(e) The transporting vehicle shall display at the front and rear end of the load or vehicle a pair of flashing amber lights, as provided in section 169.59, subdivision 4, whenever the overall width of the vehicle exceeds ten feet, six inches; and

(f) The movement, if made on a trunk highway, is made on a trunk highway with a surfaced roadway width of not less than 24 feet.

The fee for an annual permit is \$24."

Page 1, line 20, delete everything after the period

Page 1, delete line 21 and insert:

"Sec. 3. [EFFECTIVE DATE.]

Section 1 is effective August 1, 1988, and applies to violations occurring on or after that date."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the second "on" insert "trunk"

Page 1, line 4, delete "section" and insert "sections 169.80, subdivision 1; and"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Purfeerst from the Committee on Transportation, to which was referred

S.F. No. 2221: A bill for an act relating to motor vehicles; motorcycles; increasing the fee for duplicate driver's license obtained to add a two-wheeled vehicle endorsement; increasing portion of two-wheeled endorsement license fee that is dedicated to the motorcycle safety fund; amending Minnesota Statutes 1986, 171.06, subdivision 2a.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 9, insert:

"Section 1. Minnesota Statutes 1986, section 126.115, subdivision 3, is amended to read:

Subd. 3. [APPROPRIATION.] All funds in the motorcycle safety fund created by section 171.06, subdivision 2a are hereby annually appropriated to the commissioner of public safety to carry out the purposes of subdivisions 1 and 2. The commissioner of public safety may make grants from the fund to the commissioner of education at such times and in such amounts as the commissioner deems necessary to carry out the purposes of subdivisions 1 and 2. Not more than five percent of the funds so appropriated shall be expended to defray the administrative costs of carrying out the purposes of subdivisions 1 and 2, and not more than ~~50~~ 60 percent of the money so appropriated shall be expended for the combined purpose of training and coordinating the activities of motorcycle safety instructors and making reimbursements to schools and other approved organizations."

Page 1, line 14, delete "\$9" and insert "\$7.50"

Page 1, line 25, strike "\$4" and insert "\$6"

Renumber the sections in sequence

Delete the title and insert:

"A bill for an act relating to motor vehicles; motorcycles; increasing percentage of money appropriated from motorcycle safety fund to commissioner of public safety that may be spent for training and coordinating activities of instructors and making reimbursements to schools and others; increasing the fee for duplicate driver's license obtained to add a two-wheeled vehicle endorsement; increasing portion of two-wheeled endorsement license fee that is dedicated to the motorcycle safety fund; amending Minnesota Statutes 1986, sections 126.115, subdivision 3; and 171.06, subdivision 2a."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Davis from the Committee on Agriculture, to which was re-referred

S.F. No. 1783: A bill for an act relating to motor vehicles; requiring mandatory annual inspection of motor vehicle emission control equipment on vehicles registered in the metropolitan area; prescribing powers and duties of the pollution control agency and the department of public safety; imposing fees for inspection; prescribing penalties; requiring that gasoline sold in the metropolitan area for use in motor vehicles must contain oxygenated fuel; requiring the commissioners of agriculture, transportation, pollution control agency, and public service to report to the legislature on

their study of oxygenated fuels; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 7 and 8, delete sections 7 and 8 and insert:

“Sec. 7. Minnesota Statutes 1986, section 296.16, is amended by adding a subdivision to read:

Subd. 1a. [MINIMUM OXYGEN CONTENT.] Unleaded gasoline with an octane rating of 90 or less may not be sold in the metropolitan area, as defined in section 473.121, for use in motor vehicles unless it is a gasoline blend consisting of 3.5 percent oxygen content by weight.

Sec. 8. [RECOMMENDATION OF AN OXYGENATED FUEL.]

By January 1, 1989, the commissioners of the departments of agriculture, transportation, and public service, and the pollution control agency shall recommend to the legislature a specific oxygenated fuel and a formula for combining that fuel with gasoline, to meet the requirement imposed by section 7. In selecting the recommended fuel, the following must be considered:

(1) the goals of improving air quality in Minnesota and meeting federal air quality standards;

(2) the impact of federal legislation imposing a requirement that gasoline be blended with oxygenated fuel;

(3) the possibility of a reduced need for an inspection and maintenance program;

(4) the effect on engine use and wear of the various oxygenated fuels, and the impact of their use on the warranties of motor vehicles, and other gasoline-powered internal combustion engines;

(5) the energy efficiency of the various fuels;

(6) the physical feasibility of blending the fuels with gasoline;

(7) the current and potential availability of each oxygenated fuel from sources in Minnesota;

(8) the effect on the highway users distribution fund; and

(9) other relevant matters.”

Page 9, line 17, delete “7” and insert “8”

Page 9, line 18, delete “Section 2 is” and insert “Sections 2 and 7 are”

Page 9, line 19, delete everything before “and” and insert “1991. Sections 9”

Amend the title as follows:

Page 1, line 13, after the semicolon, insert “amending Minnesota Statutes 1986, section 296.16, by adding a subdivision;”

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Frank from the Committee on Economic Development and Housing, to which was referred

H.F. No. 2463: A bill for an act relating to state agencies; authorizing the iron range resources and rehabilitation board to purchase fire insurance for facilities operated by the board; amending Minnesota Statutes 1986, section 15.38, by adding a subdivision.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

H.F. No. 2265: A bill for an act relating to natural resources; correcting certain provisions for net size for the taking of ciscoes; amending Minnesota Statutes 1986, section 97C.805, subdivision 2.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 7, insert:

"Section 1. Minnesota Statutes 1986, section 97A.051, subdivision 3, is amended to read:

Subd. 3. [PUBLICATION OF ORDERS AND RULES.] *(a) Before an order or rule is published, the commissioner must consult with the chairs of the environment and natural resources committees of the house of representatives and senate or the chairs' designees and obtain their advisory recommendations. The recommendations are advisory only. Failure or refusal to make a recommendation promptly is considered a positive recommendation.*

(b) All orders and rules promulgated by the commissioner or the director that affect matters in more than three counties must be published once in a legal newspaper in Minneapolis, St. Paul, and Duluth. The orders and rules that do not affect more than three counties must be published once in a legal newspaper in each county affected. An order or rule is not effective until seven days after the publication.

Sec. 2. Minnesota Statutes 1986, section 97A.435, subdivision 2, is amended to read:

Subd. 2. [ELIGIBILITY.] Persons eligible for a turkey license shall be determined by this section and commissioner's order. A person is eligible for a turkey license only if the person is a resident and at least age 16 before the season opens *or possesses a firearms safety certificate.*

Sec. 3. Minnesota Statutes 1986, section 97B.001, subdivision 2, is amended to read:

Subd. 2. [PERMISSION REQUIRED TO ENTER AGRICULTURAL LAND TO HUNT OR OPERATE VEHICLES.] Except as provided in subdivisions 5 and 6, *and section 4*, a person may not enter agricultural land to hunt or operate a motor vehicle for pleasure purposes, unless the person obtains permission of the owner, occupant, or lessee.

Sec. 4. Minnesota Statutes 1986, section 97B.001, is amended by adding a subdivision to read:

Subd. 9. [EXPERIMENTAL FOX HUNTING.] Beginning in calendar

years 1988 and 1989 from December 16 until February 15, a person on foot taking fox may enter land that is not posted without permission.

Sec. 5. Minnesota Statutes 1987 Supplement, section 97B.035, subdivision 1, is amended to read:

Subdivision 1. [HUNTING WITH BOWS RELEASED BY MECHANICAL DEVICES.] (a) A person may not hunt with a bow drawn, held, or released by a mechanical device, except with a disabled hunter permit issued under section 97B.315 or section 7 or as provided in paragraph (b).

(b) A person may use a mechanical device attached to the bowstring if the person's own strength draws, holds, and releases the bowstring.

Sec. 6. Minnesota Statutes 1987 Supplement, section 97B.315, is amended to read:

97B.315 [CROSSBOW PERMITS.]

The commissioner may issue a special permit, without a fee, to take deer with a crossbow to a person that is unable to hunt in another manner by archery because of a permanent physical disability. The disability, established by medical evidence, and the inability to hunt in another manner by archery must be verified in writing by a licensed physician. The person must obtain an archery deer license. The crossbow must:

- (1) be fired from the shoulder;
- (2) deliver at least 42 foot-pounds of energy at a distance of ten feet;
- (3) have a stock at least 30 inches long;
- (4) have a working safety; and
- (5) be used with arrows or bolts at least ten inches long with a broadhead.

Sec. 7. [97B.603] [CROSSBOW PERMITS.]

The commissioner may issue a special permit, without a fee, to take small game except waterfowl with a crossbow to a person that is unable to hunt by archery because of a permanent physical disability. The disability, established by medical evidence, and the inability to hunt by archery must be verified in writing by a licensed physician. The person must obtain a small game license. The crossbow must:

- (1) be fired from the shoulder;
- (2) deliver at least 42 foot-pounds of energy at a distance of ten feet;
- (3) have a stock at least 30 inches long;
- (4) have a working safety; and
- (5) be used with arrows or bolts at least ten inches long with a broadhead.

Sec. 8. [97B.723] [HUNTERS UNDER AGE 16.]

A person under age 16 must be accompanied by an adult to take turkeys.

Sec. 9. Minnesota Statutes 1986, section 97B.731, is amended by adding a subdivision to read:

Subd. 3. [BLACKBIRD, COWBIRD, GRACKLE, MAGPIE, AND CROW DEPREDATION.] (a) Yellow-headed red-winged, bi-colored red-winged, Rusty's, and Brewer's blackbirds, cowbirds, grackles, magpies, and crows may be taken if:

(1) committing or about to commit depredation on ornamental or shade trees, agricultural crops, livestock, or wildlife; or

(2) concentrated in numbers and in a manner to constitute a health hazard or other nuisance.

(b) Birds taken under this subdivision or their plumage may not be sold or offered for sale, but may be possessed, transported, and otherwise disposed of or utilized.

Sec. 10. Minnesota Statutes 1986, section 97B.731, is amended by adding a subdivision to read:

Subd. 4. [CROW SEASON.] The commissioner shall prescribe a 124-day open season and restrictions for taking crows. During the open season, there is no limit on the number of crows taken or possessed.

Sec. 11. Minnesota Statutes 1987 Supplement, section 97C.211, subdivision 1, is amended to read:

Subdivision 1. [LICENSE REQUIRED.] A person may not operate a private fish hatchery without a private fish hatchery license. A private fish hatchery is a facility for raising fish, including minnows, for sale for, stocking waters or for, angling, or processing.

Sec. 12. Minnesota Statutes 1987 Supplement, section 97C.211, subdivision 2a, is amended to read:

Subd. 2a. [ACQUISITION OF FISH.] (a) A private fish hatchery may not obtain fish outside of the state unless the fish or the source of the fish are approved by the commissioner. The commissioner may not apply more stringent requirements to fish or a source of fish from outside the state than are applied to fish and sources of fish from within the state. The commissioner must either approve or deny the acquisition within 30 days after receiving a written request for approval. The request may be for annual acquisition if the fish acquired will be processed and not released into public waters.

(b) If the commissioner denies approval, a written notice must be submitted to the applicant stating the reasons for the denial and the commissioner must:

(1) designate approved sources to obtain the desired fish or fish eggs; or

(2) sell the fish or fish eggs from state fish hatcheries at fair market value.

Sec. 13. [97C.347] [LANDING NETS.]

Subdivision 1. [USE AND POSSESSION.] A person may use and possess a landing net to net a fish taken by angling.

Subd. 2. [ELECTRIC LANDING NETS.] A person may net fish taken by angling with a landing net that discharges an electric current if the net is designed to temporarily immobilize the fish so that it can be safely released.

Sec. 14. Minnesota Statutes 1986, section 97C.515, is amended by adding a subdivision to read:

Subd. 4. [PRIVATE FISH HATCHERY.] A person with a private fish hatchery license may transport minnows from outside the state to the

private fish hatchery. The commissioner may require inspection of the minnows in the same manner as required for minnows raised and transported within the state."

Page 2, after line 3, insert:

"Sec. 16. Minnesota Statutes 1987 Supplement, section 378.22, subdivision 2, is amended to read:

Subd. 2. [POSTING REQUIREMENTS.] (a) Where an aeration system is used on the ice of public waters, signs shall be posted by the permittee at a height of from four to six feet in a rectangular pattern at each corner of the open water, and additional signs between the corner signs so that a sign is posted at least every 100 feet.

(b) Additional signs shall be posted by the permittee on the shoreline of the public waters at each public access point and other areas commonly used by the public for access to the lake.

(c) The signs shall comply with the applicable order of the commissioner of natural resources.

Sec. 17. Minnesota Statutes 1986, section 378.22, is amended by adding a subdivision to read:

Subd. 6. [PUBLIC WATERS WITHOUT ACCESS.] (a) *Notwithstanding section 105.42, a riparian landowner may aerate public waters without a permit if the public waters do not have a public access and the person aerating the public waters owns all of the riparian land or all of the possessory rights to the riparian lands.*

(b) *The provisions of this section do not apply to the aeration under this subdivision except the public waters must be posted as provided under subdivision 2, paragraphs (a) and (c).*

Sec. 18. [REPEALER.]

Minnesota Statutes 1987 Supplement, section 97A.451, subdivision 1, is repealed."

Renumber the sections in sequence

Delete the title and insert:

"A bill for an act relating to game and fish; requiring an opportunity for recommendations before commissioner's orders are issued; allowing disabled persons to hunt small game with crossbows; authorizing an experimental fox season; authorizing fox hunting on lands that are not posted without permission; authorizing a crow season; allowing acquisition of minnows from outside of state for private hatchery purposes; authorizing landing nets that discharge an electric current; allowing aeration of public waters on private land under certain conditions; amending Minnesota Statutes 1986, sections 97A.051, subdivision 3; 97A.435, subdivision 2; 97B.001, subdivision 2, and by adding a subdivision; 97B.731, by adding subdivisions; 97C.515, by adding a subdivision; 97C.805, subdivision 2; 378.22, by adding a subdivision; Minnesota Statutes 1987 Supplement, sections 97B.035, subdivision 1; 97B.315; 97C.211, subdivisions 1 and 2a; 378.22, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 97B and 97C; repealing Minnesota Statutes 1987 Supplement, section 97A.451, subdivision 1."

And when so amended the bill do pass. Amendments adopted. Report

adopted.

Mr. Purfeerst from the Committee on Transportation, to which was referred

S.F. No. 1804: A bill for an act relating to motor vehicles; providing for registration of motor vehicles by long-term lessees; imposing a fee; amending Minnesota Statutes 1986, sections 168.011, by adding a subdivision; 168.013, subdivision 7; 168.041, subdivision 7; 168.10, subdivision 1; 168.11, subdivision 1; 168.13; 168.33, subdivision 3; and 168A.10, by adding a subdivision; repealing Minnesota Statutes 1986, section 168.30.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 16, delete "*motor vehicle is*" and insert "*passenger automobile, as defined in subdivision 7, is under lease for a term of 180 days or more, the lessee is deemed to be the registered owner, for purposes of registration only, provided that the application for renewal of the registration of a passenger automobile described in this subdivision shall be sent to the lessor.*"

Page 1, delete lines 17 and 18

Page 6, line 5, delete "\$1" and insert "\$2"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Purfeerst from the Committee on Transportation, to which was referred

S.F. No. 1610: A bill for an act relating to advertising devices; providing for specific service signs relating to rural commercial businesses to be displayed along highways; amending Minnesota Statutes 1986, sections 160.292, subdivisions 2, 10, and by adding a subdivision; and 160.293, subdivisions 1 and 3.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 160.292, subdivision 2, is amended to read:

Subd. 2. "Specific service sign" means a rectangular sign panel not greater than 1-1/2 feet by six feet displaying *the name of a rural agricultural business, place of worship, motel, restaurant, resort, or recreational camping area* ~~business name~~ and, where appropriate, the direction to and distance to the *rural agricultural business, camping area, motel, restaurant, or resort.*

Sec. 2. Minnesota Statutes 1986, section 160.292, subdivision 10, is amended to read:

Subd. 10. "Specific service" means *restaurants and rural agricultural businesses, places of worship, and motels, resorts, or recreational camping areas that provide sleeping accommodations for the recreational traveler traveling public.*

Sec. 3. Minnesota Statutes 1986, section 160.293, subdivision 1, is amended to read:

Subdivision 1. [PURPOSE.] Specific service signs are to be used to

create and implement a system of signing for the purpose of displaying ~~motel, restaurant, resort and recreational camping area~~ *specific service* information to the traveling public on nonfreeway type trunk highways in rural areas.

Sec. 4. Minnesota Statutes 1986, section 160.293, subdivision 3, is amended to read:

Subd. 3. [NUMBER OF TRUNK HIGHWAY INTERSECTIONS.] A specific service sign for a *rural agricultural business, place of worship, restaurant, motel, resort or recreational camping area* is limited to one intersection on the trunk highway system.

Sec. 5. Minnesota Statutes 1986, section 160.295, is amended by adding a subdivision to read:

Subd. 5. [RURAL AGRICULTURAL BUSINESS.] A rural agricultural business must be open a minimum of eight hours per day, six days per week, and 12 months per year. However, a seasonal business may qualify if it is open eight hours per day and six days per week during the normal seasonal period."

Delete the title and insert:

"A bill for an act relating to advertising devices; providing for specific service signs relating to rural agricultural businesses and places of worship to be displayed along highways; amending Minnesota Statutes 1986, sections 160.292, subdivisions 2 and 10; 160.293, subdivisions 1 and 3; and 160.295, by adding a subdivision."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Purfeerst from the Committee on Transportation, to which was referred

S.F. No. 1060: A bill for an act relating to transportation; motor carriers; requiring brakes for towed vehicles over 3,000 pounds; requiring brakes on all wheels of motor vehicles; amending Minnesota Statutes 1986, section 169.67, subdivisions 3 and 4.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 168.011, subdivision 4, is amended to read:

Subd. 4. [MOTOR VEHICLE.] (a) "Motor vehicle" means any self-propelled vehicle not operated exclusively upon railroad tracks and any vehicle propelled or drawn by a self-propelled vehicle and includes vehicles known as trackless trolleys which are propelled by electric power obtained from overhead trolley wires but not operated upon rails, except snowmobiles and manufactured homes.

(b) "Motor vehicle" also includes an all-terrain vehicle, as defined in section 84.92, subdivision 8, which (1) has at least four wheels, (2) is owned and operated by a physically handicapped person, and (3) displays both physically handicapped license plates and a physically handicapped certificate issued under section 169.345, subdivision 3. After July 31, 1985,

(c) Motor vehicle does not include a ~~three-wheel off-road~~ *an all-terrain vehicle as defined in section 84.92, subdivision 8; except (1) an all-terrain vehicle described in clause (b), or (2) that if the three-wheel off-road an all-terrain vehicle was licensed as a motor vehicle before August 1, 1985, in which case the owner may continue to license it as a motor vehicle until it is conveyed or otherwise transferred to another owner, is destroyed, or fails to comply with the registration and licensing requirements of this chapter.*

Sec. 2. Minnesota Statutes 1986, section 169.67, subdivision 3, is amended to read:

Subd. 3. [TRAILERS, SEMITRAILERS, TANK TRAILERS.] Every trailer, semitrailer, or other vehicle of a gross weight of 1,500 pounds or more, when drawn or pulled upon a highway, shall be equipped with brakes adequate to control the movement of and to stop and to hold such vehicle, and so designed as to be applied by the driver of a towing motor vehicle from its cab, except (a) trailers owned by farmers when transporting agricultural products produced on the owner's farm or supplies back to the farm of the owner of the trailer, (b) custom service vehicles drawn by motor vehicles equipped with brakes capable of stopping both vehicles within the distance required by law for vehicles with four-wheel brakes *and contractors' custom service vehicles not exceeding 30,000 pounds gross weight and 45 miles per hour when drawn by a motor vehicle capable of stopping the combination of vehicles within the performance standards of subdivision 5,* (c) trailers or semitrailers when used by retail dealers delivering implements of husbandry, (d) motor vehicles drawn by motor vehicles equipped with brakes capable of stopping the combination of vehicles within the performance requirements of this section, (e) tank trailers not exceeding 8,500 pounds gross weight used solely for transporting liquid fertilizer or gaseous fertilizer under pressure, or distributor trailers not exceeding 8,500 pounds gross weight used solely for transporting and distributing dry fertilizer, when hauled by a truck capable of stopping with loaded trailer attached in the distance specified by subdivision 5 for vehicles equipped with four-wheel brakes, providing the gross weight of such trailer or semitrailer other than those described in clause (e) when drawn by a pleasure vehicle shall not exceed 3,000 pounds, or when drawn by a truck or tractor shall not exceed 6,000 pounds, and except disabled vehicles towed to a place of repair.

Sec. 3. Minnesota Statutes 1986, section 169.67, subdivision 4, is amended to read:

Subd. 4. [SERVICE BRAKES ON ALL WHEELS; EXCEPTIONS.] Every ~~new~~ motor vehicle, trailer, or semitrailer, ~~sold in this state~~ *manufactured after June 30, 1988,* and operated upon the highways shall be equipped with service brakes upon all wheels of every such vehicle, *except mobile cranes not exceeding 45 miles per hour and capable of stopping within the performance standards of subdivision 5, and except that any motorcycle, any semitrailer of less than 1,500 pounds gross weight, a third wheel, of a swivel type, on a house trailer, a temporary auxiliary axle attached to a motor vehicle during the period of road restrictions for the purpose of relieving weight of another axle, when the temporary auxiliary axle and the axle to be relieved do not exceed the combined gross weight of 18,000 pounds, and the vehicle to which such temporary axle is attached meets the brake requirements of this section, need not be equipped with brakes; and except, further, that brakes are not required on the front wheels of*

vehicles *manufactured before July 1, 1988*, having three or more axles or upon more than one wheel of a motorcycle provided the brakes on the other wheels are adequate to stop the vehicle in accordance with the braking performance requirements of subdivision 5.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 to 3 are effective July 1, 1988."

Delete the title and insert:

"A bill for an act relating to transportation; providing for brakes on motor vehicles manufactured after June 30, 1988; amending Minnesota Statutes 1986, sections 168.011, subdivision 4; and 169.67, subdivisions 3 and 4."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Purfeerst from the Committee on Transportation, to which was referred

S.F. No. 2344: A bill for an act relating to highways; designating I-90 as AMVETS memorial highway; amending Minnesota Statutes 1986, section 161.14, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 14, insert:

"Sec. 2. [TRUNK HIGHWAY SYSTEM; REMOVAL OF ROUTE NO. 231.]

Subdivision 1. [ROUTE DISCONTINUED.] Route No. 231 as contained and described in Minnesota Statutes 1986, section 161.115, is discontinued and removed from the trunk highway system.

Subd. 2. [AGREEMENT REQUIRED.] Legislative Route No. 231 is not removed from the trunk highway system until transfer of jurisdiction has been agreed to by the commissioner of transportation and the city of Moorhead, and a copy of the agreement, signed by the commissioner and the presiding officer of the Moorhead city council, has been filed in the office of the commissioner.

Subd. 3. [REVISOR INSTRUCTION.] The revisor of statutes shall delete the route identified in subdivision 1 in the next and subsequent editions of Minnesota Statutes following the completion of the agreement.

Sec. 3. [TRUNK HIGHWAY SYSTEM; NEW ROUTE SUBSTITUTED FOR EXISTING ROUTE.]

Subdivision 1. [ADDITIONAL ROUTE.] There is added to the trunk highway system a new route in Minnesota Statutes, section 161.115, described as follows:

Route No. 254. Beginning at a point on Route No. 391 easterly of Blue Earth, thence extending in a general southerly direction to a point in or adjacent to Frost.

Subd. 2. [SUBSTITUTION.] The route established in subdivision 1 is substituted for Route No. 254 as contained and described in Minnesota Statutes 1986, section 161.115. Route No. 254 as contained and described in that section is discontinued and removed from the trunk highway system

when an agreement to transfer jurisdiction of a portion of the old route has been signed by the commissioner of transportation and the chair of the Faribault county board and filed in the office of the commissioner.

Subd. 3. [DIRECTIONS TO REVISOR.] *The revisor of statutes, in compiling the next and subsequent editions of Minnesota Statutes, shall substitute the route established in subdivision 1 for the route discontinued and removed from the trunk highway system according to subdivision 2.*

Sec. 4. [TRUNK HIGHWAY SYSTEM; REMOVAL OF ROUTE NO. 296.]

Subdivision 1. [ROUTE DISCONTINUED.] *Route No. 296 as contained and described in Minnesota Statutes 1986, section 161.115, is discontinued and removed from the trunk highway system.*

Subd. 2. [AGREEMENT REQUIRED.] *Legislative Route No. 296 is not removed from the trunk highway system until transfer of jurisdiction has been agreed to by the commissioner of transportation, the city of Rochester, and Olmsted county and a copy of the agreement signed by the commissioner, the presiding officer of the Rochester city council, and the chair of the Olmsted county board has been filed in the office of the commissioner.*

Subd. 3. [REVISOR INSTRUCTION.] *The revisor of statutes shall delete the route identified in subdivision 1 in the next and subsequent editions of Minnesota Statutes following the completion of the agreement."*

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "discontinuing and removing legislative routes No. 231 and No. 296 from trunk highway system; adding new route to trunk highway system in substitution of existing route, subject to turnback agreement; directing revisor of statutes to make route substitutions;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 1975: A bill for an act relating to human services; increasing the nursing home resident personal allowance; changing nursing home property-related costs and operating costs provisions; amending Minnesota Statutes 1987 Supplement, sections 256B.35, subdivision 1; and 256B.431, subdivisions 2b and 3a.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 144A.04, is amended by adding a subdivision to read:

Subd. 7. [MINIMUM NURSING STAFF REQUIREMENT.] *Notwithstanding the provisions of Minnesota Rules, part 4655.5600, the minimum staffing standard for nursing personnel in nursing homes is as follows:*

(a) *The minimum number of hours of nursing personnel to be provided in a nursing home is the greater of two hours per resident per 24 hours*

or 0.95 hours per standardized resident day.

(b) For purposes of this subdivision, "hours of nursing personnel" means the paid, on-duty, productive nursing hours of all nurses and nursing assistants, calculated on the basis of any given 24-hour period. "Productive nursing hours" means all on-duty hours during which nurses and nursing assistants are engaged in nursing duties. Examples of nursing duties may be found in Minnesota Rules, parts 4655.5900, 4655.6100, and 4655.6400. Not included are vacations, holidays, sick leave, in-service classroom training, or lunches. Also not included are the nonproductive nursing hours of the in-service training director. In homes with more than 60 licensed beds, the hours of the director of nursing are excluded. "Standardized resident day" means the sum of the number of residents in each case mix class multiplied by the case mix weight for that resident class, as found in Minnesota Rules, part 9549.0059, subpart 2, calculated on the basis of a facility's census for any given day.

(c) Calculation of nursing hours per standardized resident day is performed by dividing total hours of nursing personnel for a given period by the total of standardized resident days for that same period.

Sec. 2. Minnesota Statutes 1987 Supplement, section 144A.071, subdivision 3, is amended to read:

Subd. 3. [EXCEPTIONS.] The commissioner of health, in coordination with the commissioner of human services, may approve the addition of a new certified bed or the addition of a new licensed nursing home bed, under the following conditions:

(a) to replace a bed decertified after May 23, 1983 or to address an extreme hardship situation, in a particular county that, together with all contiguous Minnesota counties, has fewer nursing home beds per 1,000 elderly than the number that is ten percent higher than the national average of nursing home beds per 1,000 elderly individuals. For the purposes of this section, the national average of nursing home beds shall be the most recent figure that can be supplied by the federal health care financing administration and the number of elderly in the county or the nation shall be determined by the most recent federal census or the most recent estimate of the state demographer as of July 1, of each year of persons age 65 and older, whichever is the most recent at the time of the request for replacement. In allowing replacement of a decertified bed, the commissioners shall ensure that the number of added or recertified beds does not exceed the total number of decertified beds in the state in that level of care. An extreme hardship situation can only be found after the county documents the existence of unmet medical needs that cannot be addressed by any other alternatives;

(b) to certify a new bed in a facility that commenced construction before May 23, 1983. For the purposes of this section, "commenced construction" means that all of the following conditions were met: the final working drawings and specifications were approved by the commissioner of health; the construction contracts were let; a timely construction schedule was developed, stipulating dates for beginning, achieving various stages, and completing construction; and all zoning and building permits were secured;

(c) to certify beds in a new nursing home that is needed in order to meet the special dietary needs of its residents, if: the nursing home proves to

the commissioner's satisfaction that the needs of its residents cannot otherwise be met; elements of the special diet are not available through most food distributors; and proper preparation of the special diet requires incurring various operating expenses, including extra food preparation or serving items, not incurred to a similar extent by most nursing homes;

(d) to license a new nursing home bed in a facility that meets one of the exceptions contained in clauses (a) to (c);

(e) to license nursing home beds in a facility that has submitted either a completed licensure application or a written request for licensure to the commissioner before March 1, 1985, and has either commenced any required construction as defined in clause (b) before May 1, 1985, or has, before May 1, 1985, received from the commissioner approval of plans for phased-in construction and written authorization to begin construction on a phased-in basis. For the purpose of this clause, "construction" means any erection, building, alteration, reconstruction, modernization, or improvement necessary to comply with the nursing home licensure rules;

(f) to certify or license new beds in a new facility that is to be operated by the commissioner of veterans' affairs or when the costs of constructing and operating the new beds are to be reimbursed by the commissioner of veterans' affairs or the United States Veterans Administration;

(g) to license or certify beds in a new facility constructed to replace a facility that was destroyed after June 30, 1987, by fire, lightning, or other hazard provided:

(1) destruction was not caused by the intentional act of or at the direction of a controlling person of the facility;

(2) at the time the facility was destroyed the controlling persons of the facility maintained insurance coverage for the type of hazard that occurred in an amount that a reasonable person would conclude was adequate;

(3) the net proceeds from an insurance settlement for the damages caused by the hazard are applied to the cost of the new facility;

(4) the new facility is constructed on the same site as the destroyed facility or on another site subject to the restrictions in section 144A.073, subdivision 5; and

(5) the number of licensed and certified beds in the new facility does not exceed the number of licensed and certified beds in the destroyed facility;

(h) to license or certify beds that are moved from one location to another within a nursing home facility, provided the total costs of remodeling performed in conjunction with the relocation of beds does not exceed ten percent of the appraised value of the facility or \$200,000, whichever is less, or to license or certify beds in a facility for which the total costs of remodeling or renovation exceed ten percent of the appraised value of the facility or \$200,000, whichever is less, if the facility makes a written commitment to the commissioner of human services that it will not seek to receive an increase in its property-related payment rate by reason of the remodeling or renovation;

(i) to license or certify beds in a facility that has been involuntarily

delicensed or decertified for participation in the medical assistance program, provided that an application for relicensure or recertification is submitted to the commissioner within 120 days after delicensure or decertification;

(j) to license or certify beds in a project recommended for approval by the interagency board for quality assurance under section 144A.073;

(k) to license nursing home beds in a hospital facility that are relocated from a different hospital facility under common ownership or affiliation, provided: (1) the hospital in which the nursing home beds were originally located ceases to function as an acute care facility, or necessary support services for nursing homes as required for licensure under sections 144A.02 to 144A.10, such as dietary service, physical plant, housekeeping, physical therapy, occupational therapy, and administration, are no longer available from the original hospital site; and (2) the nursing home beds are not certified for participation in the medical assistance program;

(l) to license or certify beds that are moved from one location to another within an existing identifiable complex of hospital buildings, from a hospital-attached nursing home to the hospital building, or from a separate nursing home under common ownership with or control of a hospital to the hospital when a hospital-attached nursing home is moved simultaneously to the hospital. As a condition of receiving a license or certification under this clause, the facility must make a written commitment to the commissioner of human services that it will not seek to receive an increase in its property-related payment rate as a result of the relocation. At the time of the licensure and certification of the nursing home beds, the commissioner of health shall delicense the same number of acute care beds within the existing complex of hospital buildings or building. When a separate nursing home and a hospital-attached nursing home under common ownership or control are simultaneously relocated to a hospital building, a combined cost report must be submitted for the cost reporting year ending September 30, 1987, and the freestanding nursing home limits apply. Relocation of nursing home beds under this clause is subject to the limitations in section 144A.073, subdivision 5;

(m) to license or certify beds that are moved from an existing state nursing home to a different state facility, provided there is no net increase in the number of state nursing home beds;

(n) to license new nursing home beds in a continuing care retirement community affiliated with a national referral center engaged in substantial programs of patient care, medical research, and medical education meeting state and national needs that receives more than 40 percent of its residents from outside the state for the purpose of meeting contractual obligations to residents of the retirement community, provided the facility makes a written commitment to the commissioner of human services that it will not seek medical assistance certification for the new beds; or

(o) to certify or license new beds in a new facility on the Red Lake Indian reservation for which payments will be made under the Indian Health Care Improvement Act, Public Law Number 94-437, at the rates specified in United States Code, title 42, section 1396d(b); or

(p) to certify and license as nursing home beds boarding care beds in a certified boarding care facility if the beds meet the standards for nursing home licensure and if the cost of any remodeling of the facility does not exceed ten percent of the appraised value of the facility or \$200,000,

whichever is less. If boarding care beds are licensed as nursing home beds, the number of boarding care beds in the facility must not increase in the future. The provisions contained in section 144A.073 regarding the upgrading of the facilities does not apply to facilities that satisfy these requirements.

Sec. 3. Minnesota Statutes 1987 Supplement, section 144A.073, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For purposes of this section, the following terms have the meanings given them:

(a) "Conversion" means the relocation of a nursing home bed from a nursing home to an attached hospital.

(b) "Renovation" means extensive remodeling of, or construction of an addition to, a facility on an existing site with a total cost exceeding ten percent of the appraised value of the facility or \$200,000, whichever is less.

(c) "Replacement" means the demolition and reconstruction of all or part of an existing facility.

(d) "Upgrading" means a change in the level of licensure of a bed from a boarding care bed to a nursing home bed in a certified boarding care facility that is attached to a nursing home or a boarding care bed in a freestanding boarding care facility that currently meets all health department standards for a nursing home.

Sec. 4. Minnesota Statutes 1987 Supplement, section 144A.073, subdivision 7, is amended to read:

Subd. 7. [UPGRADING RESTRICTIONS.] Proposals submitted or approved under this section involving upgrading must satisfy the following conditions:

(a) ~~No proposal for upgrading may be approved after June 30, 1989.~~

(b) ~~No more than one proposal for upgrading may be approved for a facility.~~

(c) ~~Upgrading is limited to a total of ten beds.~~

(d) ~~The facility must meet minimum nursing home care standards.~~

(e) ~~Upgrading must not result in an increase in per diem operating costs, except for the upgrading of those freestanding boarding care facilities which currently meet existing nursing home building and space standards.~~

(f) ~~(b) If beds are upgraded to nursing home beds, the number of boarding care beds in a facility must not increase in the future.~~

(g) ~~(c) The average occupancy rate in the existing nursing home beds in an attached facility must be greater than 96 percent according to the most recent annual statistical report of the department of health.~~

(h) ~~The cost of remodeling the facility to meet current nursing home construction standards must not exceed ten percent of the appraised value of the facility or \$200,000, whichever is less.~~

Sec. 5. Minnesota Statutes 1986, section 144A.08, is amended by adding a subdivision to read:

Subd. 1b. [SUMMER TEMPERATURE AND HUMIDITY.] A nursing home, or part of a nursing home that includes resident-occupied space,

constructed after June 30, 1988, must meet the interior summer design temperature and humidity recommendations in chapter 7 of the 1982 applications of the handbook published by the American Society of Heating, Refrigerating and Air-Conditioning Engineers, Inc., as amended.

Sec. 6. Minnesota Statutes 1987 Supplement, section 256B.35, subdivision 1, is amended to read:

Subdivision 1. [PERSONAL NEEDS ALLOWANCE.] (a) Notwithstanding any law to the contrary, welfare allowances for clothing and personal needs for individuals receiving medical assistance while residing in any skilled nursing home, intermediate care facility, or medical institution including recipients of supplemental security income, in this state shall not be less than ~~\$40~~ \$45 per month from all sources. *When benefit amounts for social security or supplemental security income recipients are increased pursuant to United States Code, title 42, sections 415(i) and 1382f, the commissioner shall, effective in the month in which the increase takes effect, increase by the same percentage the clothing and personal needs allowance for individuals receiving medical assistance while residing in any skilled nursing home or intermediate care facility. The commissioner of human services shall provide timely notice to local agencies, providers, and recipients of increases under this provision.*

Provided that this (b) The personal needs allowance may be paid as part of the Minnesota supplemental aid program, notwithstanding the provisions of section 256D.37, subdivision 2, and payments to the recipients from of Minnesota supplemental aid funds may be made once each three months beginning in October 1977, covering liabilities that accrued during the preceding three months.

Sec. 7. Minnesota Statutes 1986, section 256B.431, is amended by adding a subdivision to read:

Subd. 2i. [OPERATING COSTS AFTER JULY 1, 1988.] (a) [OTHER-OPERATING-COST LIMITS.] *For the rate year beginning July 1, 1988, the commissioner shall increase the other-operating-cost limits established in Minnesota Rules, part 9549.0055, subpart 2, item E, to the percent of the median that approximates the 75th percentile of the array of allowable historical other-operating-cost per diems and index these limits as in Minnesota Rules, part 9549.0056, subparts 3 and 4. The limits must be established in accordance with subdivision 2b, paragraph (d). For rate years beginning on or after July 1, 1989, the adjusted other-operating-cost limits must be indexed as in Minnesota Rules, part 9549.0056, subparts 3 and 4.*

(b) [CARE-RELATED OPERATING COST LIMITS.] *For the rate year beginning July 1, 1988, the commissioner shall increase the care-related operating cost limits established in Minnesota Rules, part 9549.0055, subpart 2, items A and B, to the percent of the median that approximates the 90th percentile of the arrays of the allowable historical case mix operating cost standardized per diems and the allowable historical other-care-related operating cost per diems and index those limits as in Minnesota Rules, part 9549.0056, subparts 1 and 2. The limits must be established in accordance with subdivision 2b, paragraph (d). For rate years beginning on or after July 1, 1989, the adjusted care-related limits must be indexed as in Minnesota Rules, part 9549.0056, subparts 1 and 2.*

(c) [SALARY ADJUSTMENT PER DIEM.] *For the rate period October*

1, 1988, through June 30, 1990, the commissioner shall add the appropriate salary adjustment per diem calculated in clause (1) or (2) to the total operating cost payment rate of each nursing home. The salary adjustment per diem for each nursing home must be determined as follows:

(1) for each nursing home that reports salaries for registered nurses, licensed practical nurses, and aides, orderlies and attendants separately, the commissioner shall determine the salary adjustment per diem by multiplying the total salaries, payroll taxes, and fringe benefits allowed in each operating cost category, except management fees and administrator and central office salaries and the related payroll taxes and fringe benefits, by four percent and then dividing the resulting amount by the nursing home's actual resident days; and

(2) for each nursing home that does not report salaries for registered nurses, licensed practical nurses, aides, orderlies, and attendants separately, the salary adjustment per diem is the weighted average salary adjustment per diem increase determined under clause (1).

Each nursing home that receives a salary adjustment per diem pursuant to this subdivision shall adjust nursing home employee salaries by a minimum of the amount determined in clause (1) or (2). The commissioner shall review allowable salary costs, including payroll taxes and fringe benefits, for the reporting year ending September 30, 1989, to determine whether or not each nursing home complied with this requirement. The commissioner shall report the extent to which each nursing home complied to the legislative commission on long-term health care by August 1, 1990.

(d) [PENSION CONTRIBUTIONS.] (1) For rate years beginning on or after July 1, 1988, the commissioner shall exempt allowable employee pension contributions separately reported by a nursing home on its annual cost report from the care-related operating cost limits and the other-operating-cost limits.

(2) Hospital-attached homes that provide allowable employee pension contributions may report the costs that are allocated to nursing home operations independently for verification by the commissioner. For rate years beginning on or after July 1, 1989, amounts verified as allowable employee pension contributions are exempt from care-related operating cost limits and other-operating-cost limits.

(e) [NEW BASE YEAR.] The commissioner shall establish the reporting year ending September 30, 1989, as a new base year.

Sec. 8. Minnesota Statutes 1986, section 256B.431, is amended by adding a subdivision to read:

Subd. 3d. [HOSPITAL ATTACHED CONVALESCENT AND NURSING CARE FACILITIES.] If a community-operated hospital and attached convalescent and nursing care facility suspended operation of the hospital on April 30, 1986, the surviving nursing care facility must be allowed to continue its status as a hospital-attached convalescent and nursing care facility for reimbursement purposes for three years after the hospital suspended operation.

Sec. 9. Minnesota Statutes 1986, section 256B.431, is amended by adding a subdivision to read:

Subd. 3e. [BETTERMENTS AND ADDITIONS.] Notwithstanding any contrary provision of chapter 256B, or a rule adopted under chapter 256B,

a nursing home that commenced construction on a betterment and addition costing \$700,000 or more prior to the expiration of Minnesota Rules, 12 MCAR 2.05001 to 2.05016 (Temporary)(1983) shall have its property-related payment rate step-up as a result of the betterment and addition calculated as set forth in 12 MCAR 2.05011.B.3 in the case of betterments, and 12 MCAR 2.05011.D in the case of additions. For purposes of this subdivision, the terms "betterment" and "addition" have the meaning set forth in 12 MCAR 2.05002 and the term "commenced construction" has the meaning set forth in section 144A.071, subdivision 3.

Sec. 10. Minnesota Statutes 1986, section 256B.431, is amended by adding a subdivision to read:

Subd. 3f. [PROPERTY COSTS AFTER JULY 1, 1988.] (a) [INVESTMENT PER BED LIMIT.] For the rate year beginning July 1, 1988, the replacement-cost-new per bed limit must be \$32,571 per licensed bed in multiple bedrooms and \$48,857 per licensed bed in a single bedroom. Beginning January 1, 1989, the replacement-cost-new per bed limits must be adjusted annually as specified in Minnesota Rules, part 9549.0060, subpart 4, item A, subitem (1).

(b) [RENTAL FACTOR.] For the rate year beginning July 1, 1988, the commissioner shall increase the rental factor as established in Minnesota Rules, part 9549.0060, subpart 8, item A, by 6.2 percent rounded to the nearest 100th percent for the purpose of reimbursing nursing homes for soft costs and entrepreneurial profits not included in the cost valuation services used by the state's contracted appraisers. For rate years beginning on or after July 1, 1989, the rental factor is the amount determined under this paragraph for the rate year beginning July 1, 1988.

(c) [OCCUPANCY FACTOR.] For rate years beginning on or after July 1, 1988, in order to determine property-related payment rates under Minnesota Rules, part 9549.0060, for all nursing homes except those whose average length of stay in a skilled level of care within a nursing home is 180 days or less, the commissioner shall use 95 percent of capacity days. For a nursing home whose average length of stay in a skilled level of care within a nursing home is 180 days or less, the commissioner shall use the greater of resident days or 80 percent of capacity days but in no event shall the divisor exceed 95 percent of capacity days.

(d) [EQUIPMENT ALLOWANCE.] For rate years beginning on July 1, 1988, and July 1, 1989, the commissioner shall increase each nursing home's property-related payment rate by 25 cents per resident per day. For the rate year beginning July 1, 1990, the commissioner shall increase each nursing home's equipment allowance as established in Minnesota Rules, part 9549.0060, subpart 10, by 25 cents per resident per day. For rate years beginning on or after July 1, 1991, the adjusted equipment allowance must be adjusted annually for inflation as in Minnesota Rules, part 9549.0060, subpart 10, item E.

(e) [REFINANCING.] If a nursing home is approved and refinanced under section 11, the commissioner shall adjust the nursing home's property-related payment rate for the savings that result from refinancing. The adjustment to the property-related payment rate must be as follows:

(1) The commissioner shall recalculate the nursing home's rental per diem by substituting the new allowable annual principle and interest payments for those of the refinanced debt.

(2) *The nursing home's property-related payment rate must be decreased by the difference between the nursing home's current rental per diem and the rental per diem determined under clause (1).*

If a nursing home payment rate is adjusted according to this paragraph, the adjusted payment rate is effective the first of the month following the date of the refinancing for both medical assistance and private paying residents. The nursing home's adjusted property-related payment rate is effective until June 30, 1990.

Sec. 11. Minnesota Statutes 1986, section 256B.431, is amended by adding a subdivision to read:

Subd. 3g. [PROPERTY COSTS AFTER JULY 1, 1990, FOR CERTAIN FACILITIES.] For rate years beginning on or after July 1, 1990, nonhospital-attached nursing homes that, on or after January 1, 1976, but prior to December 31, 1985, were newly licensed after new construction, or increased their licensed beds by a minimum of 35 percent through new construction, and whose building capital allowance is less than their allowable annual principle and interest on allowable debt prior to the application of the replacement-cost-new per bed limit and whose remaining weighted average debt amortization schedule as of January 1, 1988, exceeded 15 years, must receive a property-related payment rate equal to the greater of their rental per diem or their annual allowable principal and allowable interest without application of the replacement-cost-new per bed limit plus their equipment allowance. A nursing home that is eligible for a property-related payment rate under this subdivision and whose property-related payment rate in a subsequent rate year is its rental per diem must continue to have its property-related payment rates established for all future rate years based on the rental reimbursement method in Minnesota Rules, part 9549.0060. The commissioner may require the nursing home to apply for refinancing as a condition of receiving special rate treatment under this subdivision.

Sec. 12. Minnesota Statutes 1987 Supplement, section 256B.431, subdivision 4, is amended to read:

Subd. 4. [SPECIAL RATES.] (a) For the rate years beginning July 1, 1983, and July 1, 1984, a newly constructed nursing home or one with a capacity increase of 50 percent or more may, upon written application to the commissioner, receive an interim payment rate for reimbursement for property-related costs calculated pursuant to the statutes and rules in effect on May 1, 1983, and for operating costs negotiated by the commissioner based upon the 60th percentile established for the appropriate group under subdivision 2a, to be effective from the first day a medical assistance recipient resides in the home or for the added beds. For newly constructed nursing homes which are not included in the calculation of the 60th percentile for any group, subdivision 2f, the commissioner shall establish by rule procedures for determining interim operating cost payment rates and interim property-related cost payment rates. The interim payment rate shall not be in effect for more than 17 months. The commissioner shall establish, by emergency and permanent rules, procedures for determining the interim rate and for making a retroactive cost settle-up after the first year of operation; the cost settled operating cost per diem shall not exceed 110 percent of the 60th percentile established for the appropriate group. Until procedures determining operating cost payment rates according to mix of resident needs are established, the commissioner shall establish by rule procedures for

determining payment rates for nursing homes which provide care under a lesser care level than the level for which the nursing home is certified.

(b) For the rate years beginning on or after July 1, 1985, a newly constructed nursing home or one with a capacity increase of 50 percent or more may, upon written application to the commissioner, receive an interim payment rate for reimbursement for property related costs, operating costs, and real estate taxes and special assessments calculated under rules promulgated by the commissioner.

(c) For rate years beginning on or after July 1, 1983, the commissioner may exclude from a provision of 12 MCAR S 2.050 any facility that is licensed by the commissioner of health only as a boarding care home, certified by the commissioner of health as an intermediate care facility, is licensed by the commissioner of human services under Minnesota Rules, parts 9520.0500 to 9520.0690, and has less than five percent of its licensed boarding care capacity reimbursed by the medical assistance program. Until a permanent rule to establish the payment rates for facilities meeting these criteria is promulgated, the commissioner shall establish the medical assistance payment rate as follows:

(1) The desk audited payment rate in effect on June 30, 1983, remains in effect until the end of the facility's fiscal year. The commissioner shall not allow any amendments to the cost report on which this desk audited payment rate is based.

(2) For each fiscal year beginning between July 1, 1983, and June 30, 1985, the facility's payment rate shall be established by increasing the desk audited operating cost payment rate determined in clause (1) at an annual rate of five percent.

(3) For fiscal years beginning on or after July 1, 1985, the facility's payment rate shall be established by increasing the facility's payment rate in the facility's prior fiscal year by the increase indicated by the consumer price index for Minneapolis and St. Paul.

(4) *For fiscal years beginning on or after January 1, 1988, the facility's payment rate shall be established using the following method: The commissioner shall divide the real estate taxes and special assessments payable as stated in the facility's current property tax statement by actual resident days to compute a real estate tax and special assessment per diem. Next, the prior year's payment rate less the real estate tax and special assessment per diem must be adjusted by the higher of (1) the percentage change in the consumer price index (CPI-U U.S. city average) as published by the Bureau of Labor Statistics between the previous two Septembers, new series index (1967-100), or (2) 2.5 percent, to determine an adjusted payment rate. The facility's payment rate is the adjusted payment rate plus the real estate tax and special assessment per diem.*

(5) For the purpose of establishing payment rates under this paragraph, the facility's rate and reporting years coincide with the facility's fiscal year.

A facility that meets the criteria of this paragraph shall submit annual cost reports on forms prescribed by the commissioner.

For the rate year beginning July 1, 1985, each nursing home total payment rate must be effective two calendar months from the first day of the month after the commissioner issues the rate notice to the nursing home. From

July 1, 1985, until the total payment rate becomes effective, the commissioner shall make payments to each nursing home at a temporary rate that is the prior rate year's operating cost payment rate increased by 2.6 percent plus the prior rate year's property-related payment rate and the prior rate year's real estate taxes and special assessments payment rate. The commissioner shall retroactively adjust the property-related payment rate and the real estate taxes and special assessments payment rate to July 1, 1985, but must not retroactively adjust the operating cost payment rate.

(d) For the purposes of Minnesota Rules, part 9549.0060, subpart 13, item F, the following types of transactions shall not be considered a sale or reorganization of a provider entity:

- (1) the sale or transfer of a nursing home upon death of an owner;
- (2) the sale or transfer of a nursing home due to serious illness or disability of an owner as defined under the social security act;
- (3) the sale or transfer of the nursing home upon retirement of an owner at 62 years of age or older;
- (4) any transaction in which a partner, owner, or shareholder acquires an interest or share of another partner, owner, or shareholder in a nursing home business provided the acquiring partner, owner, or shareholder has less than 50 percent ownership after the acquisition;
- (5) a sale and leaseback to the same licensee which does not constitute a change in facility license;
- (6) a transfer of an interest to a trust;
- (7) gifts or other transfers for no consideration;
- (8) a merger of two or more related organizations;
- (9) a transfer of interest in a facility held in receivership;
- (10) a change in the legal form of doing business other than a publicly held organization which becomes privately held or vice versa;
- (11) the addition of a new partner, owner, or shareholder who owns less than 20 percent of the nursing home or the issuance of stock; or
- (12) an involuntary transfer including foreclosure, bankruptcy, or assignment for the benefit of creditors.

Any increase in allowable debt or allowable interest expense or other cost incurred as a result of the foregoing transactions shall be a nonallowable cost for purposes of reimbursement under Minnesota Rules, parts 9549.0010 to 9549.0080.

(e) For rate years beginning on or after July 1, 1986, the commissioner may exclude from a provision of Minnesota Rules, parts 9549.0010 to 9549.0080, any facility that is certified by the commissioner of health as an intermediate care facility, licensed by the commissioner of human services as a chemical dependency treatment program, and enrolled in the medical assistance program as an institution for mental disease. The commissioner of human services shall establish a medical assistance payment rate for these facilities. Chapter 14 does not apply to the procedures and criteria used to establish the ratesetting structure. The ratesetting method is not appealable.

Sec. 13. Minnesota Statutes 1986, section 256B.50, subdivision 1, is

amended to read:

Subdivision 1. [SCOPE.] A nursing home provider may appeal from a decision arising from the application of standards or methods determination of a payment rate established pursuant to sections 256B.41 and 256B.47 this chapter and reimbursement rules of the commissioner if the appeal, if successful, would result in a change to the nursing home's provider's payment rate, or appraised value. The appeal procedures also apply to appeals of payment rates calculated under Minnesota Rules, parts 9510.0010 to 9510.0480 filed with the commissioner on or after May 1, 1984. Appeals must be filed in accordance with procedures in this section. This section does not apply to a request from a resident or nursing home for reconsideration of the classification of a resident under section 144.0722.

Subd. 1a. [DEFINITIONS.] For the purposes of this section, the following terms have the meanings given.

(a) "Determination of a payment rate" means the process by which the commissioner establishes the payment rate paid to a provider pursuant to this chapter, including determinations made in desk audit, field audit, or pursuant to an amendment filed by the provider.

(b) "Provider" means a nursing home as defined in section 256B.421, subdivision 7, or a facility as defined in section 256B.501, subdivision 1.

(c) "Reimbursement rules" means Minnesota Rules, parts 9510.0010 to 9510.0480, 9510.0500 to 9510.0890, and rules adopted by the commissioner pursuant to sections 256B.41 and 256B.501, subdivision 3.

Subd. 1b. [FILING AN APPEAL.] To appeal, the nursing home provider shall notify file with the commissioner in writing of its intent to appeal within 30 days and submit a written notice of appeal; the appeal request must be received by the commissioner within 60 days of receiving notice of the date the payment rate determination or decision of the payment rate was mailed. The notice of appeal request shall must specify each disputed item; the reason for the dispute; an estimate of; the total dollar amount involved for each disputed item; and the dollar amount per bed in dispute for each separate disallowance, allocation, or adjustment of each cost item or part of a cost item; the computation that the nursing home provider believes is correct; the authority in statute or rule upon which the nursing home provider relies for each disputed item; the name and address of the person or firm with whom contacts may be made regarding the appeal; and other information required by the commissioner.

Subd. 1c. [CONTESTED CASE PROCEDURES.] Except as provided in subdivision 2, the appeal shall must be heard by an administrative law judge according to sections 14.48 to 14.56; or upon agreement by both parties according to a modified appeals procedure established by the commissioner and the administrative law judge. In any proceeding under this section, the appealing party must demonstrate by a preponderance of the evidence that the commissioner's determination is incorrect. Regardless of any rate appeal, the rate established shall must be the rate paid and shall must remain in effect until final resolution of the appeal or subsequent desk or field audit adjustment, notwithstanding any provision of law or rule to the contrary. To challenge the validity of rules established by the commissioner pursuant to this section and sections 256B.41, 256B.421, 256B.431, 256B.47, 256B.48, 256B.501, and 256B.502, a nursing home provider shall comply with section 14.44.

Sec. 14. Minnesota Statutes 1986, section 256B.50, is amended by adding a subdivision to read:

Subd. 1d. [EXPEDITED APPEAL REVIEW PROCESS.] (a) Within 120 days of the receipt of an appeal according to subdivision 1, the department shall review an appealed adjustment equal to or less than \$100 annually per licensed bed of the provider, make a determination concerning the adjustment, and notify the provider of the determination. Except as allowed in paragraph (g), this review does not apply to an appeal of an adjustment made to, or proposed on, an amount already paid to the provider. In this subdivision, an adjustment is each separate disallowance, allocation, or adjustment of a cost item or part of a cost item as submitted by a provider according to forms required by the commissioner.

(b) For an item on which the provider disagrees with the results of the determination of the department made under paragraph (a), the provider may, within 60 days of the date of the review notice, file with the office of administrative hearings and the department its written argument and documents, information, or affidavits in support of its appeal. If the provider fails to make a submission in accordance with this paragraph, the department's determinations on the disputed items must be upheld.

(c) Within 60 days of the date the department received the provider's submission under paragraph (b), the department may file with the office of administrative hearings and serve upon the provider its written argument and documents, information, and affidavits in support of its determination. If the department fails to make a submission in accordance with this paragraph, the administrative law judge shall proceed pursuant to paragraph (d) based on the provider's submission.

(d) Upon receipt by the office of administrative hearings of the department's submission made under paragraph (c) or upon the expiration of the 60-day filing period, whichever is earlier, the chief administrative law judge shall assign the matter to an administrative law judge. The administrative law judge shall consider the submissions of the parties and all relevant rules, statutes, and case law. The administrative law judge may request additional argument from the parties if it is deemed necessary to reach a final decision, but shall not allow witnesses to be presented or discovery to be made in the proceeding. Within 60 days of receipt by the office of administrative hearings of the department's submission or the expiration of the 60-day filing period in paragraph (c), whichever is earlier, the administrative law judge shall make a final decision on the items in issue, and shall notify the provider and the department by first-class mail of the decision on each item. The decision of the administrative law judge is the final administrative decision, is not appealable, and does not create legal precedent, except that the department may make an adjustment contrary to the decision of the administrative law judge based upon a subsequent cost report amendment or field audit that reveals information relating to the adjustment that was not known to the department at the time of the final decision.

(e) For a disputed item otherwise subject to the review set forth in this subdivision, the department and the provider may mutually agree to bypass the expedited review process and proceed to a contested case hearing at any time prior to the time for the department's submission under paragraph (c).

(f) When the department determines that the appeals of two or more

providers otherwise subject to the review set forth in this subdivision present the same or substantially the same adjustment, the department may remove the disputed items from the review in this subdivision, and the disputed items shall proceed in accordance with subdivision 1c. The department's decision to remove the appealed adjustments to contested case proceeding is final and is not reviewable.

(g) For a disputed item otherwise subject to the review in this subdivision, the department or a provider may petition the chief administrative law judge to issue an order allowing the petitioning party to bypass the expedited review process. If the petition is granted, the disputed item must proceed in accordance with subdivision 1c. In making the determination, the chief administrative law judge shall consider the potential impact and precedential and monetary value of the disputed item. A petition for removal to contested case hearing must be filed with the chief administrative law judge and the opposing party on or before the date on which its submission is due under paragraph (b) or (c). Within 20 days of receipt of the petition, the opposing party may submit its argument opposing the petition. Within 20 days of receipt of the argument opposing the petition, or if no argument is received, within 20 days of the date on which the argument was due, the chief administrative law judge shall issue a decision granting or denying the petition. If the petition is denied, the petitioning party has 60 days from the date of the denial to make a submission under paragraph (b) or (c).

(h) The department and a provider may mutually agree to use the procedures set forth in this subdivision for any disputed item not otherwise subject to this subdivision.

(i) Nothing shall prevent either party from making its submissions and arguments under this subdivision through a person who is not an attorney.

(j) This subdivision applies to all appeals for rate years beginning after June 30, 1988.

Sec. 15. Minnesota Statutes 1986, section 256B.50, is amended by adding a subdivision to read:

Subd. 1e. [ATTORNEYS FEES AND COSTS.] (a) Notwithstanding section 3.762, paragraph (a), for an issue appealed under subdivision 1, the prevailing party in a contested case proceeding or, if appealed, in subsequent judicial review, must be awarded reasonable attorney fees and costs incurred in litigating the appeal, if the prevailing party shows that the position of the opposing party was not substantially justified. The procedures for awarding fees and costs set forth in section 3.764 must be followed in determining the prevailing party's fees and costs except as otherwise provided in this subdivision. For purposes of this subdivision, "costs" means subpoena fees and mileage, transcript costs, court reporter fees, witness fees, postage and delivery costs, photocopying and printing costs, amounts charged the commissioner by the office of administrative hearings, and direct administrative costs of the department; and "substantially justified" means that a position had a reasonable basis in law and fact, based on the totality of the circumstances prior to and during the contested case proceeding and subsequent review.

(b) When an award is made to the department under this subdivision, attorney fees must be calculated at the cost to the department. When an award is made to a provider under this subdivision, attorney fees must be

calculated at the rate charged to the provider except that attorney fees awarded must be the lesser of the attorney's normal hourly fee or \$100 per hour.

(c) In contested case proceedings involving more than one issue, the administrative law judge shall determine what portion of each party's attorney fees and costs is related to the issue or issues on which it prevailed and for which it is entitled to an award. In making that determination, the administrative law judge shall consider the amount of time spent on each issue, the precedential value of the issue, the complexity of the issue, and other factors deemed appropriate by the administrative law judge.

(d) When the department prevails on an issue involving more than one provider, the administrative law judge shall allocate the total amount of any award for attorney fees and costs among the providers. In determining the allocation, the administrative law judge shall consider each provider's monetary interest in the issue and other factors deemed appropriate by the administrative law judge.

(e) Attorney fees and costs awarded to the department for proceedings under this subdivision must not be reported or treated as allowable costs on the provider's cost report.

(f) Fees and costs awarded to a provider for proceedings under this subdivision must be reimbursed to them by reporting the amount of fees and costs awarded as allowable costs on the provider's cost report for the reporting year in which they were awarded. Fees and costs reported pursuant to this subdivision must be included in the general and administrative cost category but are not subject to either the general and administrative or other-operating-cost limits.

(g) If the provider fails to pay the awarded attorney fees and costs within 120 days of the final decision on the award of attorney fees and costs, the department may collect the amount due through any method available to it for the collection of medical assistance overpayments to providers. Interest charges must be assessed on balances outstanding after 120 days of the final decision on the award of attorney fees and costs. The annual interest rate charged must be the rate charged by the commissioner of revenue for late payment of taxes that is in effect on the 121st day after the final decision on the award of attorney fees and costs.

(h) Amounts collected by the commissioner pursuant to this subdivision must be deemed to be recoveries pursuant to section 256.01, subdivision 2, clause 15.

(i) This subdivision applies to all contested case proceedings set on for hearing by the commissioner on or after the effective date of this section, regardless of the date the appeal was filed.

Sec. 16. Minnesota Statutes 1986, section 256B.50, is amended by adding a subdivision to read:

Subd. 1f. [LEGAL AND RELATED EXPENSES.] Legal and related expenses for unresolved challenges to decisions by governmental agencies shall be separately identified and explained on the provider's cost report for each year in which the expenses are incurred. When the challenge is resolved in favor of the governmental agency, the provider shall notify the department of the extent to which its challenge was unsuccessful or the cost report filed for the reporting year in which the challenge was resolved.

In addition, the provider shall inform the department of the years in which it claimed legal and related expenses and the amount of the expenses claimed in each year relating to the unsuccessful challenge. The department shall reduce the provider's medical assistance rate in the subsequent rate year by the total amount claimed by the provider for legal and related expenses incurred in an unsuccessful challenge to a decision by a governmental agency.

Sec. 17. Minnesota Statutes 1986, section 256B.50, is amended by adding a subdivision to read:

Subd. 1g. [APPEAL SUPPLEMENT.] (a) For an appeal filed with the commissioner regarding payment rates calculated pursuant to Minnesota Rules, parts 9510.0010 to 9510.0480, or parts 9510.0500 to 9510.0890, or prior provisions of these rules, that was not subject to the provisions of this section or section 256B.501, subdivision 3, at the time it was filed, the appellant must file an appeal supplement. The appeal supplement must be filed no later than December 31, 1988, and must specify each disputed item, the reason for the dispute, an estimate of the dollar amount involved for each disputed item, the computation that the provider believes is correct, the authority in statute or rule upon which the provider relies for each disputed item, the name and address of the person or firm with whom contacts may be made regarding the appeal, and any other information required by the commissioner. Failure to file the appeal supplement is jurisdictional and the commissioner may accordingly dismiss the appeal, and the rate established by the commissioner shall take effect.

(b) Filing of an appeal supplement must not be construed to correct any legal defect in the original appeal.

(c) An appeal for which an appeal supplement is filed pursuant to this subdivision must be set on for a contested case hearing, made part of the expedited appeal process with the agreement of both the provider and the department, or otherwise resolved by December 31, 1989.

Sec. 18. Minnesota Statutes 1987 Supplement, section 256B.50, subdivision 2, is amended to read:

Subd. 2. [APPRAISED VALUE.] (a) ~~An~~ A nursing home may appeal the determination of its appraised value, as determined by the commissioner pursuant to section 256B.431 and rules established thereunder. A written notice of appeal request concerning the appraised value of a nursing home's real estate as established by an appraisal conducted after July 1, 1986, shall be filed with the commissioner within 60 days of the date the determination was made and shall state the appraised value the nursing home believes is correct for the building, land improvements, and attached equipment and the name and address of the firm with whom contacts may be made regarding the appeal. The appeal request shall include a separate appraisal report prepared by an independent appraiser of real estate which supports the total appraised value claimed by the nursing home. The appraisal report shall be based on an on-site inspection of the nursing home's real estate using the depreciated replacement cost method, must be in a form comparable to that used in the commissioner's appraisal, and must pertain to the same time period covered by the appealed appraisal. The appraisal report shall include information related to the training, experience, and qualifications of the appraiser who conducted and prepared the appraisal report for the nursing home.

(b) A nursing home which has filed an appeal request prior to the effective date of Laws 1987, chapter 403, concerning the appraised value of its real estate as established by an appraisal conducted before July 1, 1986, must submit to the commissioner the information described under paragraph (a) within 60 days of the effective date of Laws 1987, chapter 403, in order to preserve the appeal.

(c) An appeal request which has been filed pursuant to the provisions of paragraph (a) or (b) shall be finally resolved through an agreement entered into by and between the commissioner and the nursing home or by the determination of an independent appraiser based upon an on-site inspection of the nursing home's real estate using the depreciated replacement cost method, in a form comparable to that used in the commissioner's appraisal, and pertaining to the same time period covered by the appealed appraisal. The appraiser shall be selected by the commissioner and the nursing home by alternately striking names from a list of appraisers approved for state contracts by the commissioner of administration. The appraiser shall make assurances to the satisfaction of the commissioner and the nursing home that the appraiser is experienced in the use of the depreciated cost method of appraisals and that the appraiser is free of any personal, political, or economic conflict of interest that may impair the ability to function in a fair and objective manner. The commissioner shall pay costs of the appraiser through a negotiated rate for services of the appraiser.

(d) The decision of the appraiser is final and is not appealable. Exclusive jurisdiction for appeals of the appraised value of nursing homes lies with the procedures set out in this subdivision. No court of law shall possess subject matter jurisdiction to hear appeals of appraised value determinations of nursing homes.

Sec. 19. Laws 1987, chapter 403, article 4, section 13, is amended to read:

Sec. 13. [STUDY AND REPORT.]

(a) The interagency board for quality assurance shall study the following issues and report to the legislature by December 15, 1988, on its findings and recommendations:

(1) the advisability of changing the definition of "hardship" for purposes of the nursing home moratorium;

(2) the advisability of defining the need for nursing home beds in terms of the population aged 75 and older; and

(3) the existence of a geographic maldistribution of long-term care beds and alternative care services in the state.

(b) In addition to the issues in paragraph (a), the interagency board shall study and make recommendations concerning the policy and fiscal impact of the changes made in Public Law Number 100-203 relating to the elimination of the intermediate care facility certification level in 1990. The interagency board shall consider at least the following: the need for continuation of the services currently offered by certified boarding care home beds, the need for additional beds in the state licensed as nursing homes, the fiscal impact associated with the reconstruction or replacement of facilities that do not meet nursing home standards, the costs of establishing an alternative funding source for the payment of services currently provided in these facilities, and the need to promulgate licensure standards.

If the interagency board recommends that facilities be licensed as nursing homes, the interagency board shall recommend specific procedures for the granting of the licenses and identify methods for the licensing or funding of facilities that may be considered out of compliance with federal law on October 1, 1990. The board shall provide recommendations to the legislature for legislative changes that are necessary to implement the board's recommendations. The costs associated with the board's recommendations must be provided to the commissioner of human services and included in the medical assistance forecast and the agency budget requests for the 1990-91 biennium.

Sec. 20. [REPORT ON VENTILATION AND AIR CONDITIONING IN NURSING HOMES.]

By January 1, 1989, the interagency board for quality assurance shall report to the legislature on ventilation and air conditioning systems in nursing homes. The report must include:

(1) a review of the nature and extent of air conditioning and ventilation systems that now exist in nursing homes in the state;

(2) the number and nature of complaints received by the commissioner of health or the office of health facility complaints relating to summer heat or humidity in nursing homes;

(3) the adequacy of existing systems to provide residents and staff with a reasonable level of comfort and health;

(4) a review of the options for improving air conditioning and ventilation systems in nursing homes including estimates of the costs of each option to residents, nursing homes, and the medical assistance program, and an analysis of public and private financing mechanisms for the costs of improvements; and

(5) recommendations for legislative changes.

Sec. 21. [APPROVED COMPLEMENT INCREASED.]

The complement of the office of administrative hearings is increased by one full-time equivalent position.

Sec. 22. [NURSING HOME SPECIAL ASSESSMENT FOR SEWER RENTAL.]

Notwithstanding contrary provisions of Minnesota Statutes, section 256B.431, for purposes of determining the amount of a reported actual special assessment to be included in a nursing home's operating cost, the commissioner of human services shall include an expense charged to a nursing home by the municipality of Minnesota through a sewer rental charge assessed against the nursing home for a wastewater treatment facility.

Sec. 23. [REPORT ON HOSPITAL-ATTACHED NURSING HOME PROPERTY PAYMENTS.]

The commissioner shall study property-related payments for hospital-attached nursing homes and report to the legislative commission on long-term health care by February 1, 1989, with recommendations on appropriate cost allocation methods to be used for property-related reimbursement.

Sec. 24. [EFFECTIVE DATE.]

Sections 1 to 8 and 10 to 23 are effective the day following final enactment. Section 9 is effective the day following final enactment and applies to nursing home rate years that began on or after July 1, 1988."

Delete the title and insert:

"A bill for an act relating to health and human services; increasing the nursing home resident personal allowance; changing nursing home property-related costs and operating costs provisions; authorizing the housing finance agency to make loans to nursing homes; establishing summer temperature and humidity requirements for new nursing homes; requiring a study of air conditioning and ventilation in nursing homes; requiring a report on the impact of federal law changes; amending Minnesota Statutes 1986, sections 144A.04, by adding a subdivision; 144A.08, by adding a subdivision; 256B.431, by adding subdivisions; 256B.50, subdivision 1, and by adding subdivisions; Minnesota Statutes 1987 Supplement, sections 144A.071, subdivision 3; 144A.073, subdivisions 1 and 7; 256B.35, subdivision 1; 256B.431, subdivision 4; and 256B.50, subdivision 2; Laws 1987, chapter 403, article 4, section 13."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 1832: A bill for an act relating to human services; expanding and improving child care services; defining terms; setting forth duties of the commissioner; providing grants for child care programs, facilities, and training; providing a toll-free telephone number; establishing an interagency advisory committee; requiring counties to keep a waiting list; expanding resource and referral assistance to employers; requiring a study; appropriating money; amending Minnesota Statutes 1986, sections 245.83, and by adding subdivisions; 245.84, subdivision 1; 268.911, subdivision 3; Minnesota Statutes 1987 Supplement, sections 245A.04, by adding a subdivision; and 268.91, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 245; repealing Minnesota Statutes 1986, sections 245.84, subdivision 4; 245.86; and 245.87.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [CITATION.]

Sections 1 to 12 may be cited as the "child care development act of 1988."

Sec. 2. Minnesota Statutes 1986, section 245.83, is amended to read:

245.83 [CHILD CARE SERVICES; DEFINITIONS.]

Subdivision 1. [DEFINITIONS.] As used in sections 245.83 to 245.87 245.858 the words defined in this section shall have the meanings given them.

Subd. 2. [CHILD CARE SERVICES.] "Child care services" means *child care provided in family day care homes, group day care centers, nursery schools, day nurseries, child day care centers, play groups, head*

start and parent cooperatives, as defined by rules of the commissioner, and in-home child care as defined in the Minnesota plan for social services to families and children.

Subd. 3. [CHILD.] "Child" means any a person 14 12 years of age old or younger, or a person age 13 or 14 who is handicapped, as defined in section 120.03.

Subd. 3a. [CHILD CARE.] "Child care" means the care of a child by someone other than a parent or legal guardian outside the child's own home for gain or otherwise, on a regular basis, for any part of a 24-hour day.

Subd. 3b. [CHILD CARE WORKER.] "Child care worker" means a person who cares for children for compensation, including a licensed provider of child care services, an employee of a provider, and a person who has applied for a license as a provider.

Subd. 4. [COMMISSIONER.] "Commissioner" means the commissioner of human services.

Subd. 4a. [FACILITY IMPROVEMENT EXPENSES.] "Facility improvement expenses" include building improvements, equipment, toys, and supplies.

Subd. 5. [INTERIM FINANCING.] "Interim financing" means funds to carry out such activities as are necessary for family day care homes, group family day care homes and cooperative child care centers to receive and maintain state licensing, to expand an existing program or to improve program quality, and to provide operating funds for a period of six consecutive months following receipt of state licensing by a family day care home, group family day care home, or cooperative child care center.

Subd. 6. [RESOURCE AND REFERRAL PROGRAM.] "Resource and referral program" means a program that provides information to parents, including referrals and coordination of community child care resources for parents and public or private providers of care. Services may include parent education, technical assistance for providers, staff development programs, and referrals to social services.

Subd. 7. [STAFF TRAINING OR DEVELOPMENT EXPENSES.] "Staff training or development expenses" include the cost to a child care worker of tuition, transportation, required materials and supplies, and wages for a substitute while the child care worker is engaged in a training program.

Subd. 8. [TRAINING PROGRAM.] "Training program" means child development courses offered by an accredited post-secondary institution; or similar training approved by a county board or the department of human services. To qualify as a training program under this section, a course of study must teach specific skills that a child care worker needs to meet staff qualifications established by licensing requirements.

Sec. 3. [245.833] [DUTIES OF COMMISSIONER.]

In addition to the powers and duties already conferred by law, the commissioner of human services shall:

(1) administer the child care fund, including the sliding fee program, authorized under section 268.91;

(2) monitor the child care resource and referral programs established

under section 268.911; and

(3) encourage child care providers to participate in a nationally-recognized accreditation system for early childhood programs.

Sec. 4. [245.836] [GRANTS FOR CHILD CARE SERVICES.]

Subdivision 1. [GRANTS ESTABLISHED.] The commissioner shall award grants to develop child care services, including facility improvement expenses, interim financing, resource and referral programs, and staff training expenses. The commissioner shall develop a grant application form, distribute forms to regional grant review advisory task forces established under subdivision 2, inform county social service agencies about the availability of child care services grants, and set a date by which applications must be received by the commissioner.

Subd. 2. [DISTRIBUTION OF FUNDS.] The commissioner shall distribute money appropriated for child care services among the 12 development regions designated by the governor under section 462.385, in proportion to the ratio of the number of children to the number of licensed child care slots available in each region. Out of the amount allocated for each development region the commissioner shall award grants based on the recommendation of the regional grant review advisory task force. In addition, the commissioner shall:

(1) award no more than 75 percent of the money either to child care facilities for the purpose of facility improvement or interim financing or to child care workers for staff training expenses; and

(2) redistribute funds not awarded by January 1, 1989, without regard to the distribution formula in this subdivision.

Subd. 3. [REGIONAL GRANT REVIEW ADVISORY TASK FORCES.] In each development region, the commissioner shall appoint a person to chair a child care grant review advisory task force. In each development region with a regional development commission, except for region 11, the commission shall appoint a child care grant review advisory task force under section 462.394. In region 11 the commissioner shall appoint one or more advisory task forces to review grant applications. In each region with no regional development commission, each county board shall designate a representative to a regional child care grant review advisory task force. Members appointed under this subdivision must be parents of children in child care, providers of child care, or citizens with a demonstrated interest in child care issues. Regional grant review advisory task forces shall review and make recommendations to the commissioner on applications for grants under this section. Task force members may be reimbursed for expenses in accordance with section 15.059, subdivision 6, for up to six meetings per year. The advisory task force shall not expire but shall otherwise be governed by section 15.059. In regions where no regional development commission exists, the commissioner may designate a public or private entity to act as fiscal agent. The commissioner may pay the expenses of the child care grant review advisory task force directly or through an agent. Regional task forces shall complete their reviews and forward their recommendations to the commissioner by the date set under subdivision 1.

Subd. 4. [FUNDING PRIORITIES; FACILITY IMPROVEMENT AND

INTERIM FINANCING.] *In evaluating applications for funding and making recommendations to the commissioner, the regional grant review advisory task forces shall give priority to:*

(1) *new programs or projects, or the expansion or enrichment of existing programs or projects;*

(2) *programs or projects in areas where a demonstrated need for child care facilities has been shown, with special emphasis on programs or projects in areas where there is a shortage of licensed child care;*

(3) *programs and projects that serve sick children, infants, children with special needs, and children from low-income families; and*

(4) *unlicensed providers who wish to become licensed.*

Subd. 5. [FUNDING PRIORITIES; TRAINING GRANTS.] *In evaluating applications for training grants and making recommendations to the commissioner, the regional grant review advisory task forces shall give priority to:*

(1) *applicants who will be working in facilities caring for sick children, infants, children with special needs, and children from low-income families;*

(2) *applicants who will be working in geographic areas where there is a shortage of child care;*

(3) *unlicensed providers who wish to become licensed;*

(4) *child care providers seeking accreditation; and*

(5) *entities which apply for funds for scholarships for child care workers attending educational or training programs sponsored by the entity.*

Subd. 6. [ADVISORY TASK FORCE.] *The commissioner shall convene a statewide advisory task force which shall advise the commissioner on grants and other child care issues. Each regional grant review advisory task force formed under subdivision 3 shall appoint a representative to the advisory task force. The commissioner may convene meetings of the task force as needed, up to four meetings per year. Terms of office and removal from office are governed by the appointing body. The commissioner shall compensate members for their expenses in accordance with section 15.059 for meetings of the task force. The advisory task force shall not expire but shall otherwise be governed by section 15.059.*

Sec. 5. Minnesota Statutes 1986, section 245.84, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY.] *The county board is authorized to provide child care services, to make grants from the community social service fund, special tax revenue, or its general fund, or other sources to any municipality, corporation or combination thereof for the cost of providing technical assistance and child care services, or to contract for services with any licensed day care facility, as the board deems necessary or proper to carry out the purposes of sections 245.83 to 245.87 245.858.*

The board is further authorized to make grants to or contract with any municipality, incorporated licensed child care facility or resource and referral program, or corporation or combination thereof for any of the following purposes:

(a) *For creating new licensed day care facilities and expanding existing*

facilities including, but not limited to, supplies, equipment, and facility renovation and remodeling;

(b) For improving licensed day care facility programs, including, but not limited to, staff specialists, staff training, supplies, equipment, and facility renovation and remodeling;

(c) For supportive child development services including, but not limited to, in-service training, curriculum development, consulting specialist, resource centers, and program and resource materials;

(d) For carrying out programs including, but not limited to, staff, supplies, equipment, facility renovation, and training;

(e) For interim financing; and

(f) For carrying out the resource and referral program services identified in section 268.911, subdivision 3.

Sec. 6. [245.854] [GRANTS TO EMPLOYERS.]

Subdivision 1. [GRANT AMOUNTS; COVERED EXPENSES.] The commissioner shall administer a program to provide grants to employers who want to provide child care services for the benefit of their employees at the site of employment or within close proximity to the site of employment, and who meet the priorities listed in subdivision 2. The grant shall be equal to 50 percent of total expenditures paid or incurred by the employer during a two-year period to establish a child care facility for use by the children of employees, including expenditures for planning, site preparation, construction, renovation, site acquisition, equipment installed for permanent use, and kitchen appliances for use in delivering meals to the children. No employer may receive a grant in excess of \$50,000 under this section. The grant may be paid in either of the first two years of the child care services operation.

If two or more employers share in the cost of establishing or operating a facility for the children of their employees, the commissioner shall apportion the grant between the employers in relation to the respective share paid by each employer to the total expenditures for the services during the year. The total amount of the grant apportioned may not exceed \$50,000 for a single facility.

Grants may also be made to employers seeking to provide child care services for the benefit of their employees by enhancing, expanding, or developing services in the community. Grants may be made for the same purposes as those given for grants for on-site facilities and may total no more than 50 percent of total expenditures over a two-year period. Grants may not exceed \$10,000 for a single facility.

Subd. 2. [GRANT PRIORITIES.] In reviewing grant proposals for funding, the commissioner shall give priority to programs or projects in an area where a demonstrated need for licensed child care facilities has been shown, and to employers who will:

(1) provide child care services at the site of employment, within reasonable walking distance of the employment site, or at a site agreeable to employees;

(2) provide child care services for infants and toddlers;

(3) extend all employee benefits to the child care workers on the same

basis as provided to their employees;

(4) allow employees with children using the child care services provided under this section flexibility in work schedules to enable visiting time;

(5) agree to pay child care workers at least 125 percent of the county average rate for child care workers; and

(6) ensure that child care services are affordable to all employees.

The employer may not receive any profit from the provision of the child care services or rent from the child care site. In addition, an employer receiving a grant under this section must continue to provide the child care services program for four years after state funding under this section has ended. If the employer does not continue the program, the state's attorney general shall seek to recover the full amount of the grant from the employer.

Sec. 7. [245.856] [ADVISORY TASK FORCE ON CHILD CARE.]

Subdivision 1. [MEMBERSHIP.] By July 1, 1988, the commissioner of the state planning agency shall convene and chair an advisory task force on child care. Members of the committee, in addition to the commissioner of the state planning agency, are:

(1) the commissioner, or a designee of the commissioner, of the departments of health, human services, jobs and training, and education;

(2) one representative appointed by each of the four public higher education systems;

(3) three county representatives appointed by the association of Minnesota counties;

(4) three providers representing family day care, day care centers, and before-and-after-school programs, appointed by the commissioner of the state planning agency;

(5) one local school district representative appointed by the state board of education;

(6) two parents appointed by the commissioner of the state planning agency;

(7) two employers appointed by the commissioner of the state planning agency; and

(8) two representatives from child care resource and referral programs appointed by the commissioner.

Subd. 2. [DUTIES.] The task force shall:

(1) review current state and local programs related to child care;

(2) review available data on the need for child care services;

(3) survey and report on all components of the child care system including, but not limited to: availability of licensed child care slots; numbers of children in various kinds of child care settings; staff wages, rate of staff turnover, and qualifications of child care workers; cost of child care by type of service and ages of children; and child care availability through school systems;

(4) study the existing public and private funding sources for child care

services and the development of child care services, including the AFDC special needs program, the sliding fee child care program, the maternal and child nutrition program, county funding, Title XX funding, and private foundation, corporate, community social services act, or nonprofit funding to child care services providers and parents. The study shall determine the extent to which:

(i) individual funding sources meet existing needs and what level of funding comes from each source;

(ii) the need for subsidized child care services for low-income parents is being met;

(iii) present funding mechanisms are efficient or can be made more efficient;

(iv) alternative or improved methods may encourage private funding for child care services;

(v) the funding level has an impact on availability of child care facilities; and

(vi) child care reimbursement rates are meeting actual costs for quality child care;

(5) survey and report on the extent to which existing child care services fulfill the need for child care, giving particular attention to the need for part-time care and for care of infants, sick children, children with special needs, and low-income children; and

(6) make recommendations for developing a coordinated system of child care.

An interim report of the task force's findings and recommendations shall be submitted to the legislature by January 1, 1989, with a final report due January 1, 1990.

Sec. 8. Minnesota Statutes 1987 Supplement, section 245A.04, is amended by adding a subdivision to read:

Subd. 9. [INSPECTIONS.] The commissioner shall assign the equivalent of one license inspector to make unannounced inspections of child care centers. After one year the value of unannounced inspections shall be assessed.

Sec. 9. Minnesota Statutes 1987 Supplement, section 268.91, subdivision 3, is amended to read:

Subd. 3. [ALLOCATION.] (a) By June 1 of each odd-numbered year, the commissioner shall notify all county and human services boards and post-secondary educational systems of their allocation. If the appropriation is insufficient to meet the needs in all counties, the amount must be prorated among the counties. Each county that receives funds under this section must keep a written record and report to the commissioner the number of eligible families who have applied for a child care subsidy. Counties may perform a cursory determination of eligibility when a family requests information about child care assistance. A family which appears to be eligible must be put on a waiting list if funds are not immediately available.

(b) Except for set-aside money allocated under subdivisions 3a, 3b, 3c, and 3d, the commissioner shall allocate money appropriated between the

metropolitan area, comprising the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington, and the area outside the metropolitan area so that no more than 55 percent of the total appropriation goes to either area after excluding allocations for statewide administrative costs. The commissioner shall allocate 50 percent of the money among counties on the basis of the number of families below the poverty level, as determined from the most recent special census, and 50 percent on the basis of caseloads of aid to families with dependent children for the preceding fiscal year, as determined by the commissioner of human services.

(c) Once each quarter, the commissioner shall review the use of child care fund allocations by county. ~~In accordance with the formula found in paragraph (b),~~ The commissioner may reallocate unexpended or unencumbered money among those counties who have expended their full portion. Any unexpended money from the first year of the biennium may be carried forward to the second year of the biennium.

Sec. 10. Minnesota Statutes 1987 Supplement, section 268.91, subdivision 3b, is amended to read:

Subd. 3b. [SET-ASIDE MONEY FOR AFDC PRIORITY GROUPS.] (a) Set-aside money for AFDC priority groups must be allocated among the counties based on the average monthly number of caretakers receiving AFDC under the age of 21 and the average monthly number of AFDC cases open 24 or more consecutive months. For each fiscal year the average monthly caseload shall be based on the 12-month period ending March 31 of the previous fiscal year. The commissioner may reallocate quarterly unexpended or unencumbered set-aside money to counties that expend their full allocation. The county shall use the set-aside money for AFDC priority groups.

(b) The county shall develop cooperative agreements with the employment and training service provider for coordination of child care funding with employment, training, and education programs for aid to families with dependent children priority groups. The cooperative agreement shall specify that individuals receiving employment, training, and education services under an employability plan from the employment and training service provider shall, as resources permit, be guaranteed set-aside money for child care assistance from the county of their residence.

(c) Counties may contract for administration of the program or may arrange for or contract for child care funds to be used by other appropriate programs, in accordance with this section and as permitted by federal law and regulations.

(d) If the commissioner finds, on or after January 1 of a fiscal year, that set-aside money for AFDC priority groups is not being fully utilized, the commissioner may permit counties to use set-aside money for other eligible applicants, as long as priority for use of the money will continue to be given to the AFDC priority groups.

(e) A county may claim federal reimbursement under the AFDC special needs program for money spent for persons listed in subdivision 3a, clause (1). The commissioner shall allocate any federal earnings to the county. The county shall use the money to expand services to AFDC recipients and former AFDC recipients listed in subdivision 3a, paragraph (a), clauses (1) and (2), under the child care sliding fee program.

Sec. 11. Minnesota Statutes 1986, section 268.91, subdivision 7, is

amended to read:

Subd. 7. [SLIDING FEE SCALE.] In setting the sliding fee schedule, the commissioner shall exclude from the amount of income used to determine eligibility an amount for federal and state income and social security taxes attributable to that income level according to federal and state standardized tax tables. *The commissioner shall base the parent fee on the ability of the family to pay for child care.* The fee schedule must be designed to use any available tax credits ~~and to progress smoothly from appropriated assistance to assistance through tax credits.~~

Sec. 12. Minnesota Statutes 1986, section 268.911, subdivision 3, is amended to read:

Subd. 3. [PROGRAM SERVICES.] The commissioner may make grants to public or private nonprofit entities to fund child care resource and referral programs. Child care resource and referral programs must serve a defined geographic area.

(a) Each program shall identify all existing child care services through information provided by all relevant public and private agencies in the areas of service, and shall develop a resource file of the services which shall be maintained and updated at least quarterly. These services must include family day care homes; public and private day care programs; full-time and part-time programs; infant, preschool, and extended care programs; and programs for school age children.

The resource file must include: the type of program, hours of program service, ages of children served, fees, location of the program, eligibility requirements for enrollment, and transportation available to the program. The file may also include program information and special needs services.

(b) Each program shall establish a referral process which responds to parental need for information and which fully recognizes confidentiality rights of parents. The referral process must afford parents maximum access to all referral information. This access must include telephone referral available for no less than 20 hours per week.

Each child care resource and referral agency shall publicize its services through popular media sources, agencies, *employers*, and other appropriate methods.

(c) Each program shall maintain ongoing documentation of requests for service. All child care resource and referral agencies must maintain documentation of the number of calls and contacts to the child care information and referral agency or component. A program may collect and maintain the following information:

- (1) ages of children served;
- (2) time category of child care request for each child;
- (3) special time category, such as nights, weekends, and swing shift; and
- (4) reason that the child care is needed.

(d) Each program shall have available the following information as an educational aid to parents:

(1) information on aspects of evaluating the quality and suitability of child care services, including licensing regulation, financial assistance available, child abuse reporting procedures, appropriate child development

information;

(2) information on available parent, early childhood, and family education programs in the community.

(e) A program may provide technical assistance to existing and potential providers of all types of child care services *and employers*. This assistance shall include:

(1) information on all aspects of initiating new child care services including licensing, zoning, program and budget development, and assistance in finding information from other sources;

(2) information and resources which help existing child care providers to maximize their ability to serve the children and parents of their community;

(3) dissemination of information on current public issues affecting the local and state delivery of child care services;

(4) facilitation of communication between existing child care providers and child-related services in the community served; **and**

(5) recruitment of licensed providers; *and*

(6) *options, and the benefits available to employers utilizing the various options, to expand child care services to employees.*

Services prescribed by this section must be designed to maximize parental choice in the selection of child care and to facilitate the maintenance and development of child care services and resources.

(f) Child care resource and referral information must be provided to all persons *and employers* requesting services and to all types of child care providers.

(g) Public or private entities may apply to the commissioner for funding. The maximum amount of money which may be awarded to any entity for the provision of service under this subdivision is \$60,000 per year. A local match of up to 25 percent is required.

Sec. 13. [RULES.]

The commissioner of human services may adopt rules to administer and implement the provisions of sections 4 and 6.

Sec. 14. [COMPLEMENT.]

The complement of the department of human services is increased by four positions to administer child care programs.

Sec. 15. [APPROPRIATIONS.]

\$2,500,000 is appropriated from the general fund for the purposes of section 268.91, subdivision 3.

\$1,100,000 is appropriated from the general fund to the commissioner of human services for the purposes of expanding and improving child care development services under section 4.

\$400,000 is appropriated from the general fund to the commissioner of human services for the purpose of allocating grants under the provisions of section 6 and providing technical assistance. The appropriation is available until expended. The amount of the appropriation available to the commissioner for technical assistance must not exceed seven percent.

\$350,000 is appropriated from the general fund to the commissioner of human services for the purposes of section 12.

\$200,000 is appropriated from the general fund to the commissioner of human services for administration of child care programs.

Sec. 16. [REPEALER.]

Minnesota Statutes 1986, sections 245.86 and 245.87, are repealed."

Delete the title and insert:

"A bill for an act relating to human services; expanding and improving child care services; defining terms; setting forth duties of the commissioner; providing grants for child care programs, facilities, and training; establishing an advisory task force; requiring counties to keep a waiting list; expanding resource and referral assistance to employers; appropriating money; amending Minnesota Statutes 1986, sections 245.83; 245.84, subdivision 1; 268.91, subdivision 7; 268.911, subdivision 3; Minnesota Statutes 1987 Supplement, sections 245A.04, by adding a subdivision; and 268.91, subdivisions 3 and 3b; proposing coding for new law in Minnesota Statutes, chapter 245; repealing Minnesota Statutes 1986, sections 245.86; and 245.87."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 1935: A bill for an act relating to health; requiring medical screening of former Conwed Corporation employees; authorizing the commissioner of health to contract with experts; requiring a report; appropriating money.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 7, insert:

"Section 1. Minnesota Statutes 1987 Supplement, section 145A.14, is amended by adding a subdivision to read:

Subd. 3. [HUMAN IMMUNODEFICIENCY VIRUS EDUCATION AND RISK REDUCTION GRANTS.]

(a) The commissioner shall make special grants to community health boards to establish and maintain public education, health promotion services, and local technical assistance intended to limit the transmission of the human immunodeficiency virus. Funding may not be used for alternative testing programs or services to persons with AIDS-related illnesses.

(b) To qualify for a grant under this subdivision, the community health plan or plan revision submitted by the community health board must contain a proposal for the delivery of education and health promotion services and local technical assistance.

(c) Applicants must submit for approval a plan and budget for the use of funds, in the form and detail provided for in the community health plan.

(d) Funds appropriated for grants under this subdivision will be allocated as follows:

(1) one-third shall be distributed to community health boards in proportion to the number of counties and eligible cities;

(2) one-third shall be distributed to community health boards in proportion to population; and

(3) one-third shall be distributed to community health boards in proportion to the number of reported AIDS cases.

(e) Grants awarded to qualified programs under this subdivision shall not exceed 75 percent of the annual cost of the qualified program for the fiscal year for which the grant is awarded.

(f) Applicants must keep records, including records of expenditures to be audited as the commissioner specifies."

Page 2, after line 12, insert:

"\$2,400,000 is appropriated from the general fund to the commissioner of health for grants to be awarded under section 1."

Page 2, line 14, delete "1 to 3" and insert "2 to 4" and after the period, insert "The commissioner of health and the attorney general shall seek reimbursement from Conwed Corporation and its successors for the costs of the health screenings and related costs."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "authorizing AIDS education and risk reduction grants;"

Page 1, line 5, before the period, insert "; amending Minnesota Statutes 1987 Supplement, section 145A.14, by adding a subdivision"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

H.F. No. 2132: A bill for an act relating to human services; authorizing a representative payee for general assistance to drug dependent persons; amending Minnesota Statutes 1986, section 256D.09, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, delete lines 10 to 25

Page 2, delete lines 1 to 6 and insert:

"Subd. 2a. [REPRESENTATIVE PAYEE.] Notwithstanding subdivision 1, the commissioner shall adopt rules, and may adopt emergency rules, governing the assignment of a representative payee and management of the general assistance grant of a drug dependent person as defined in section 254A.02, subdivision 5. The representative payee is responsible for deciding how the drug dependent person's benefits can best be used to meet that person's needs. The determination of drug dependency must be made by an assessor qualified under Minnesota Rules, part 9530.6615, subpart 2, to perform an assessment of chemical use. Upon receipt of the assessor's determination of drug dependency, the county shall determine

whether a representative payee will be assigned to manage the person's benefits. The chemical use assessment and the county determination are subject to the administrative and judicial review provisions of section 256.045. If, at the time of application or at any other time, there is a reasonable basis for questioning whether a person can responsibly manage that person's money due to possible drug dependency, the person may be referred for a chemical health assessment, and only emergency assistance payments or general assistance vendor payments may be provided until the assessment is complete. The assignment to representative payee status must be reviewed at least every 12 months. The county shall designate the representative payee after consultation with the recipient. The designation of representative payee is subject to the administrative and judicial review provisions of section 256.045."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Davis from the Committee on Agriculture, to which was referred

S.F. No. 1996: A bill for an act relating to agriculture; limiting ownership of agricultural land by certain corporations and limited partnerships; requiring certain reports; prescribing a civil penalty; amending Minnesota Statutes 1986, section 500.24, subdivisions 3 and 4; and Minnesota Statutes 1987 Supplement, section 500.24, subdivision 2.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1987 Supplement, section 500.24, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] For the purposes of this section, the terms defined in this subdivision have the meanings here given them:

(a) "Farming" means the production of (1) agricultural products; (2) livestock or livestock products; (3) milk or milk products; or (4) fruit or other horticultural products. It does not include the processing, refining, or packaging of said products, nor the provision of spraying or harvesting services by a processor or distributor of farm products. It does not include the production of timber or forest products or the production of poultry or poultry products.

(b) "Family farm" means an unincorporated farming unit owned by one or more persons residing on the farm or actively engaging in farming.

(c) "Family farm corporation" means a corporation founded for the purpose of farming and the ownership of agricultural land in which the majority of the voting stock is held by and the majority of the stockholders are persons or the spouses of persons related to each other within the third degree of kindred according to the rules of the civil law, and at least one of said related persons is residing on or actively operating the farm, and none of whose stockholders are corporations; provided that a family farm corporation shall not cease to qualify as such hereunder by reason of any devise or bequest of shares of voting stock.

(d) "Authorized farm corporation" means a corporation meeting the following standards:

- (1) its shareholders do not exceed five in number;
- (2) all its shareholders, other than any estate are natural persons;
- (3) it does not have more than one class of shares; and
- (4) its revenues from rent, royalties, dividends, interest and annuities does not exceed 20 percent of its gross receipts; and

(5) shareholders holding ~~a majority of the shares~~ *60 percent or more of the interest in the corporation* must be residing on the farm or actively engaging in farming; and

(6) *it, directly or indirectly, owns or otherwise has an interest, whether legal, beneficial, or otherwise, in any title to no more than 1,500 acres of real estate used for farming or capable of being used for farming in this state.*

(e) "Agricultural land" means land used for farming.

(f) "Pension or investment fund" means a pension or employee welfare benefit fund, however organized, a mutual fund, a life insurance company separate account, a common trust of a bank or other trustee established for the investment and reinvestment of money contributed to it, a real estate investment trust, or an investment company as defined in United States Code, title 15, section 80a-3. "Pension or investment fund" does not include a benevolent trust established by the owners of a family farm, authorized farm corporation or family farm corporation.

(g) "Farm homestead" means a house including adjoining buildings that has been used as part of a farming operation or is part of the agricultural land used for a farming operation.

(h) "*Family farm partnership*" means a limited partnership formed for the purpose of farming and the ownership of agricultural land in which the majority of the interests in the partnership is held by and the majority of the partners are persons or the spouses of persons related to each other within the third degree of kindred according to the rules of the civil law, and at least one of the related persons is residing on or actively operating the farm, and none of the partners are corporations. A family farm partnership does not cease to qualify as a family farm partnership because of a devise or bequest of interest in the partnership.

(i) "Authorized farm partnership" means a limited partnership meeting the following standards:

(1) *it has been issued a certificate from the secretary of state or is registered with the county recorder and farming and ownership of agricultural land is stated as a purpose or character of the business;*

(2) *its partners do not exceed five in number;*

(3) *all its partners, other than an estate, are natural persons;*

(4) *its revenues from rent, royalties, dividends, interest, and annuities do not exceed 20 percent of its gross receipts;*

(5) *its general partners hold at least 20 percent of the interest in the partnership and reside on the farm or are actively engaging in farming;*

(6) *its limited partners do not participate in the business of the limited partnership including operating, managing, or directing management of farming operations; and*

(7) it, directly or indirectly, does not own or otherwise have an interest, whether legal, beneficial, or otherwise, in a title to more than 1,500 acres of real estate used for farming or capable of being used for farming in this state.

Sec. 2. Minnesota Statutes 1986, section 500.24, subdivision 3, is amended to read:

Subd. 3. [FARMING AND OWNERSHIP OF AGRICULTURAL LAND BY CORPORATIONS RESTRICTED.] No corporation ~~or~~, pension or investment fund, or limited partnership shall engage in farming; nor shall any corporation ~~or~~, pension or investment fund, or limited partnership, directly or indirectly, own, acquire, or otherwise obtain an interest, whether legal, beneficial or otherwise, in any title to real estate used for farming or capable of being used for farming in this state. Provided, however, that the restrictions ~~provided~~ in this subdivision ~~shall do not apply to the following corporations or partnerships in clause (b) and do not apply to corporations, limited partnerships, and pension or investment funds that record its name and the particular exception under clauses (a) to (r) under which the agricultural land is owned or farmed, have a conservation plan prepared for the agricultural land, report as required under subdivision 4, and satisfy one of the following conditions under clauses (a) to (r):~~

(a) A bona fide encumbrance taken for purposes of security;

(b) A family farm corporation ~~or~~, an authorized farm corporation, a family farm partnership, or an authorized farm partnership as defined in subdivision 2 or a general partnership;

(c) Agricultural land and land capable of being used for farming owned by a corporation as of May 20, 1973, or a pension or investment fund as of May 12, 1981, including the normal expansion of such ownership at a rate not to exceed 20 percent of the amount of land owned as of May 20, 1973, or, in the case of a pension or investment fund, as of May 12, 1981, measured in acres, in any five-year period, and including additional ownership reasonably necessary to meet the requirements of pollution control rules;

(d) Agricultural land operated for research or experimental purposes with the approval of the commissioner of agriculture, provided that any commercial sales from ~~such farm shall~~ the operation must be incidental to the research or experimental objectives of the corporation. A corporation, limited partnership, or pension or investment fund seeking to operate agricultural land for research or experimental purposes must submit to the commissioner a prospectus or proposal of the intended method of operation, containing information required by the commissioner including a copy of any operational contract with individual participants, prior to initial approval of an operation. A corporation, limited partnership, or pension or investment fund operating agricultural land for research or experimental purposes prior to the effective date of section 1 must comply with all requirements of this clause except the requirement for initial approval of the project;

(e) Agricultural land operated by a corporation or limited partnership for the purpose of raising breeding stock, including embryos, for resale to farmers or operated for the purpose of growing seed, wild rice, nursery plants or sod;

(f) Agricultural land and land capable of being used for farming leased by a corporation or limited partnership in an amount, measured in acres,

not to exceed the acreage under lease to such corporation as of May 20, 1973, or to the limited partnership as of May 1, 1988, and the additional acreage required for normal expansion at a rate not to exceed 20 percent of the amount of land leased as of May 20, 1973, for a corporation or May 1, 1988, for a limited partnership in any five-year period, and the additional acreage reasonably necessary to meet the requirements of pollution control rules;

(g) Agricultural land when acquired as a gift (either by grant or a devise) by an educational, religious or charitable nonprofit corporation or by a pension or investment fund or limited partnership; provided that all lands so acquired by a pension or investment fund, and all lands so acquired by a corporation or limited partnership which are not operated for research or experimental purposes, or are not operated for the purpose of raising breeding stock for resale to farmers or operated for the purpose of growing seed, wild rice, nursery plants or sod must be disposed of within ten years after acquiring title thereto;

(h) Agricultural land acquired by a pension or investment fund or a corporation other than a family farm corporation or authorized farm corporation, as defined in subdivision 2, or a limited partnership other than a family farm partnership or authorized farm partnership as defined in subdivision 2, for which the corporation or limited partnership has documented plans to use and subsequently uses the land within six years from the date of purchase for a specific nonfarming purpose, or if the land is zoned nonagricultural, or if the land is located within an incorporated area. A pension or investment fund or a corporation or limited partnership may hold such agricultural land in such acreage as may be necessary to its nonfarm business operation; provided, however, that pending the development of agricultural land for nonfarm purposes, such land may not be used for farming except under lease to a family farm unit, a family farm corporation or an authorized farm corporation, a family farm partnership, or an authorized farm partnership, or except when controlled through ownership, options, leaseholds, or other agreements by a corporation which has entered into an agreement with the United States of America pursuant to the New Community Act of 1968 (Title IV of the Housing and Urban Development Act of 1968, United States Code, title 42, sections 3901 to 3914) as amended, or a subsidiary or assign of such a corporation;

(i) Agricultural lands acquired by a pension or investment fund or a corporation or limited partnership by process of law in the collection of debts, or by any procedure for the enforcement of a lien or claim thereon, whether created by mortgage or otherwise; provided, however, that all lands so acquired be disposed of within ten years after acquiring the title if acquired before May 1, 1988, and five years after acquiring the title if acquired on or after May 1, 1988, acquiring the title thereto, and further provided that the land so acquired shall not be used for farming during the ten-year or five-year period except under a lease to a family farm unit, a family farm corporation or an authorized farm corporation, a family farm partnership, or an authorized farm partnership. The aforementioned ten-year or five-year limitation period shall be deemed a covenant running with the title to the land against any pension or investment fund or corporate or limited partnership grantee or assignee or the successor of such pension or investment fund or corporation or limited partnership;

(j) Agricultural land acquired by a corporation regulated under the provisions of Minnesota Statutes 1974, chapter 216B, for purposes described

in that chapter or by an electric generation or transmission cooperative for use in its business, provided, however, that such land may not be used for farming except under lease to a family farm unit, or a family farm corporation, or a family farm partnership;

(k) Agricultural land, either leased or owned, totaling no more than 2,700 acres, acquired after May 20, 1973 for the purpose of replacing or expanding asparagus growing operations, provided that such corporation had established 2,000 acres of asparagus production;

(l) All agricultural land or land capable of being used for farming which was owned or leased by an authorized farm corporation as defined in Minnesota Statutes 1974, section 500.24, subdivision 1, clause (d) but which does not qualify as an authorized farm corporation as defined in subdivision 2, clause (d);

(m) A corporation formed primarily for religious purposes whose sole income is derived from agriculture;

(n) Agricultural land owned or leased by a corporation prior to August 1, 1975, which was exempted from the restriction of subdivision 3 under the provisions of Laws 1973, chapter 427, including normal expansion of such ownership or leasehold interest to be exercised at a rate not to exceed 20 percent of the amount of land owned or leased on August 1, 1975 in any five-year period and the additional ownership reasonably necessary to meet requirements of pollution control rules;

(o) Agricultural land owned or leased by a corporation prior to August 1, 1978, including normal expansion of such ownership or leasehold interest, to be exercised at a rate not to exceed 20 percent of the amount of land owned or leased on August 1, 1978 and the additional ownership reasonably necessary to meet requirements of pollution control rules, provided that nothing herein shall reduce any exemption contained under the provisions of Laws 1975, chapter 324, section 1, subdivision 2;

(p) An interest in the title to agricultural land acquired by a pension fund or family trust established by the owners of a family farm, authorized farm corporation or family farm corporation, but limited to the farm on which one or more of those owners or shareholders have resided or have been actively engaged in farming as required by subdivision 2, clause (b), (c), or (d);

(q) Agricultural land owned by a nursing home located in a city with a population, according to the state demographer's 1985 estimate, between 900 and 1,000, in a county with a population, according to the state demographer's 1985 estimate, between 18,000 and 19,000, if the land was given to the nursing home as a gift with the expectation that it would not be sold during the donor's lifetime. This exemption is available until July 1, 1995;

(r) *The acreage of agricultural land and land capable of being used for farming owned and recorded by an authorized farm corporation as defined in Minnesota Statutes 1986, section 500.24, subdivision 2, paragraph (d), or a limited partnership as of May 1, 1988, including the normal expansion of the ownership at a rate not to exceed 20 percent of the land owned and recorded as of May 1, 1988, measured in acres, in any five-year period, and including additional ownership reasonably necessary to meet the requirements of pollution control rules;*

(s) *Agricultural land acquired by a nonprofit corporation formed for*

religious purposes or acquired by a limited partnership with all of the limited partnership interests held by a nonprofit corporation formed for religious purposes and the general partner is a family farm, family farm corporation, or family farm limited partnership, that leases or sells to, or farms with a family farm, family farm corporation, or a family farm limited partnership.

Sec. 3. Minnesota Statutes 1986, section 500.24, subdivision 3a, is amended to read:

Subd. 3a. [LEASE AGREEMENT; CONSERVATION PRACTICE PROTECTION CLAUSE.] A corporation, *pension or investment fund, or limited partnership*, other than a family farm corporation ~~or~~, an authorized farm corporation, *a family farm partnership, or an authorized farm partnership*, when leasing farm land to a family farm unit, a family farm corporation, ~~or~~ an authorized farm corporation, *a family farm partnership, or an authorized farm partnership* under provisions of subdivision 3, clause (i), must include within the lease agreement a provision prohibiting intentional damage or destruction to a conservation practice on the agricultural land.

Sec. 4. Minnesota Statutes 1986, section 500.24, subdivision 3b, is amended to read:

Subd. 3b. [PROTECTION OF CONSERVATION PRACTICES.] If a corporation, *pension or investment fund, or limited partnership*, other than a family farm corporation ~~or~~, an authorized farm corporation, *a family farm partnership, or authorized farm partnership*, during the period of time it holds agricultural land under subdivision 3, clause (i), intentionally destroys a conservation practice as defined in section 40.19, subdivision 5, to which the state has made a financial contribution, the corporation, *pension or investment fund, or limited partnership* must pay the commissioner of agriculture, for deposit in the general fund, an amount equal to the state's total contributions to that conservation practice plus interest from the time of investment in the conservation practice. Interest must be calculated at an annual percentage rate of 12 percent.

Sec. 5. Minnesota Statutes 1986, section 500.24, subdivision 4, is amended to read:

Subd. 4. [REPORTS.] (a) *The chief executive officer of every pension or investment fund or corporation which, or limited partnership, except a family farm corporation or a family farm limited partnership, that holds any interest in agricultural land or land used for the breeding, feeding, pasturing, growing, or raising of livestock, dairy or poultry, or products thereof, or land used for the production of agricultural crops or fruit or other horticultural products, other than a bona fide encumbrance taken for purposes of security, or which is engaged in farming or proposing to commence farming in this state after May 20, 1973, shall file with the commissioner of agriculture a report containing the following information and documents:*

(1) The name of the pension or investment fund ~~or~~, corporation, *or limited partnership* and its place of incorporation, *certification, or registration;*

(2) The address of the pension or investment plan headquarters or of the registered office of the corporation in this state, the name and address of its registered agent in this state and, in the case of a foreign corporation *or limited partnership*, the address of its principal office in its place of

incorporation, *certification, or registration*;

(3) The acreage and location listed by quarter-quarter section, township and county of each lot or parcel of land in this state owned or leased by the pension or investment fund, *limited partnership*, or corporation and used for the growing of crops or the keeping or feeding of poultry or livestock;

(4) The names and addresses of the officers, administrators, directors or trustees of the pension or investment fund, or of the officers, shareholders owning more than 10 percent of the stock, including the percent of stock owned by each such shareholder, and the members of the board of directors of the corporation, *and the general and limited partners and the percentage of interest in the partnership by each partner; and*

(5) The farm products which the pension or investment fund, *limited partnership*, or corporation produces or intends to produce on its agricultural land;

(6) *With the first report, a copy of the title to the property where the farming operations are or will occur indicating the particular exception claimed under subdivision 3, clauses (a) to (r); and*

(7) *With the first or second report, a copy of the conservation plan proposed by the soil and water conservation district, and with subsequent reports a statement of whether the conservation plan was implemented.*

The report of a corporation seeking to qualify hereunder as a family farm corporation ~~or~~, an authorized farm corporation, *a family farm partnership, or authorized farm partnership* shall contain the following additional information: The number of shares *or the partnership interests* owned by persons residing on the farm or actively engaged in farming, or their relatives within the third degree of kindred according to the rules of the civil law or their spouses; the name, address and number of shares owned by each shareholder *or partnership interests owned by each partner*; and a statement as to percentage of gross receipts of the corporation derived from rent, royalties, dividends, interest and annuities. No pension or investment fund, *limited partnership*, or corporation shall commence farming in this state until the commissioner of agriculture has inspected the report and certified that its proposed operations comply with the provisions of this section.

(b) Every pension or investment fund, *limited partnership*, or corporation as described in clause (a) shall, prior to April 15 of each year, file with the commissioner of agriculture a report containing the information required in clause (a), based on its operations in the preceding calendar year and its status at the end of the year. *A pension or investment fund, limited partnership, or corporation that does not file the report by April 15 must pay a \$500 civil penalty. The penalty is a lien on the land being farmed under subdivision 3 until the penalty is paid.*

(c) Failure to file a required report, or the willful filing of false information, shall constitute a gross misdemeanor.

Sec. 6. Minnesota Statutes 1986, section 500.24, subdivision 5, is amended to read:

Subd. 5. [ENFORCEMENT.] With reason to believe that a corporation, *limited partnership*, or pension or investment fund is violating subdivision 3, the attorney general shall commence an action in the district court in

which any agricultural lands relative to such violation are situated, or if situated in two or more counties, in any county in which a substantial part of the lands are situated. The attorney general shall file for record with the county recorder or the registrar of titles of each county in which any portion of said lands are located a notice of the pendency of the action as provided in section 557.02. If the court finds that the lands in question are being held in violation of subdivision 3, it shall enter an order so declaring. The attorney general shall file for record any such order with the county recorder or the registrar of titles of each county in which any portion of said lands are located. Thereafter, the pension or investment fund, *limited partnership*, or corporation owning such land shall have a period of five years from the date of such order to divest itself of such lands. The aforementioned five year limitation period shall be deemed a covenant running with the title to the land against any pension or investment fund, *limited partnership*, or corporate grantee or assignee or the successor of such pension or investment fund, *limited partnership*, or corporation. Any lands not so divested within the time prescribed shall be sold at public sale in the manner prescribed by law for the foreclosure of a mortgage by action. In addition, any prospective or threatened violation may be enjoined by an action brought by the attorney general in the manner provided by law.

Sec. 7. Minnesota Statutes 1987 Supplement, section 500.24, subdivision 6, is amended to read:

Subd. 6. [DISPOSAL OF LAND.] (a) A state or federal agency, *limited partnership*, or a corporation, other than a family farm corporation or an authorized farm corporation, may not lease or sell agricultural land or a farm homestead that was acquired by enforcing a debt against the agricultural land or farm homestead, including foreclosure of a mortgage, accepting a deed in lieu of foreclosure, terminating a contract for deed, or accepting a deed in lieu of terminating a contract for deed, before offering or making a good faith effort to offer the land for sale or lease to the immediately preceding former owner at a price no higher than the highest price offered by a third party that is acceptable to the seller or lessor. The offer must be made on the notice to offer form under subdivision 7. Selling or leasing property to a third party at a price is prima facie evidence that the price is acceptable to the seller or lessor.

(b) For purposes of this subdivision, the term "a price no higher than the highest price offered by a third party" means the acceptable cash price offered by a third party or the acceptable time-price offer made by a third party. A cash price offer is one that involves simultaneous transfer of title for payment of the entire amount of the offer. If the acceptable offer made by a third party is a time-price offer, the seller or lessor must make the same time-price offer or an equivalent cash offer to the immediately preceding former owner. An equivalent cash offer is equal to the total of the payments made over a period of the time-price offer discounted by yield curve of the United States treasury notes and bonds on the first business day of the month in which the offer is personally delivered or mailed for time periods similar to the time period covered by the time-price offer, plus 2.0 percent. A time-price offer is an offer that defers payment of a portion of the price and does not involve a transfer of fee title until payment of the entire amount of the offer is made.

(c) This subdivision applies to a seller when the property is sold and to a lessor each time the property is leased, for five years after the agricultural land is acquired except:

(1) an offer to lease to the immediately preceding former owner is required only until the immediately preceding owner fails to accept an offer to lease the property or the property is sold; and

(2) an offer to sell to the immediately preceding former owner is required until the property is sold.

(d) The notice of an offer under subdivision 7 that is personally delivered with a signed receipt or sent by certified mail with a receipt of mailing to the immediately preceding former owner's last known address is a good faith offer.

(e) This subdivision does not apply to a sale or lease that occurs after the seller or lessor has held the property for five years or longer.

(f) For purposes of this subdivision, if the immediately preceding former owner is a bankruptcy estate the debtor in the bankruptcy is the immediately preceding owner.

(g) The immediately preceding former owner must exercise the right to lease agricultural land or a homestead located on agricultural land in writing within 15 days after an offer to lease under this subdivision is mailed with a receipt of mailing or personally delivered. The immediately preceding former owner must exercise the right to buy the agricultural land or farm homestead located on agricultural land, in writing, within 65 days after an offer to buy under this subdivision is mailed with a receipt of mailing or is personally delivered. Within ten days after exercising the right to lease or buy by accepting the offer, the immediately preceding owner must fully perform according to the terms of the offer including paying the amounts due. A seller may sell and a lessor may lease the agricultural land or farm homestead subject to this subdivision to the third party in accordance with their lease or purchase agreement if:

(1) the immediately preceding former owner does not accept an offer to lease or buy before the offer terminates; or

(2) the immediately preceding former owner does not perform the obligations of the offer, including paying the amounts due, within ten days after accepting the offer.

(h) A certificate indicating whether or not the property contains agricultural land or a farm homestead that is signed by the county assessor where the property is located and recorded in the office of the county recorder or the registrar of titles where the property is located is prima facie evidence of whether the property is agricultural land or a farm homestead.

(i) As prima facie evidence that an offer to sell or lease agricultural land or a farm homestead has terminated, a receipt of mailing the notice under subdivision 7 and an affidavit, signed by a person authorized to act on behalf of a state, federal agency, or corporation selling or leasing the agricultural land or a farm homestead may be filed in the office of the county recorder or registrar of titles of the county where the agricultural land or farm homestead is located. The affidavit must state that:

(1) notice of an offer to buy or lease the agricultural land or farm homestead was provided to the immediately preceding former owner at a price not higher than the highest price offered by a third party that is acceptable;

(2) the time during which the immediately preceding former owner is required to exercise the right to buy or lease the agricultural land or farm

homestead has expired;

(3) the immediately preceding former owner has not exercised the right to buy or lease the agricultural land or farm homestead as provided in this subdivision or has accepted an offer and has not fully performed according to the terms of the offer; and

(4) the offer to the immediately preceding former owner has terminated.

(j) The right of an immediately preceding former owner to receive an offer to lease or purchase agricultural land under this subdivision or to lease or purchase at a price no higher than the highest price offered by a third party that is acceptable to the seller or lessor may be extinguished or limited by an express statement signed by the immediately preceding owner that complies with the plain language requirements of section 325G.31. The right may not be extinguished or limited except by the express statement in a deed in lieu of foreclosure or in a deed in lieu of a termination of a contract for deed for the agricultural land.

(k) The right of an immediately preceding former owner to receive an offer to lease or purchase agricultural land under this subdivision may not be assigned or transferred, but may be inherited.

Sec. 8. Minnesota Statutes 1987 Supplement, section 500.24, subdivision 7, is amended to read:

Subd. 7. [NOTICE OF OFFER.] (a) The state, a federal agency, *limited partnership*, or a corporation subject to subdivision 6 must provide a notice of an offer to sell or lease agricultural land substantially as follows, after inserting the appropriate terms within the parentheses:

“NOTICE OF OFFER TO (LEASE, BUY) AGRICULTURAL LAND

TO: (. Immediately preceding former owner)

FROM: (. The state, federal agency, *limited partnership*, or corporation subject to subdivision 6)

DATE: (. date notice is mailed or personally delivered)

(. The state, federal agency, *limited partnership*, or corporation) HAS ACQUIRED THE AGRICULTURAL LAND DESCRIBED BELOW AND HAS RECEIVED AN ACCEPTABLE OFFER TO (LEASE, SELL) THE AGRICULTURAL LAND FROM ANOTHER PARTY. UNDER MINNESOTA STATUTES, SECTION 500.24, SUBDIVISION 6, AN OFFER FROM (. the state, federal agency, *limited partnership*, or corporation) MUST BE MADE TO YOU AT A PRICE NO HIGHER THAN THE HIGHEST OFFER MADE BY ANOTHER PARTY.

THE AGRICULTURAL LAND BEING OFFERED CONTAINS APPROXIMATELY (. approximate number of acres) ACRES AND IS INFORMALLY DESCRIBED AS FOLLOWS:

(Informal description of the agricultural land being offered that reasonably describes the land. This description does not need to be a legal description.)

(. The state, federal agency, *limited partnership*, or corporation) OFFERS TO (SELL, LEASE) THE AGRICULTURAL LAND DESCRIBED ABOVE FOR A CASH PRICE OF \$(. cash price or equivalent cash price for lease and lease period, or cash price or equivalent cash price for sale of land), WHICH IS NOT HIGHER THAN THE

PRICE OFFERED BY ANOTHER PARTY. THE PRICE IS OFFERED ON THE FOLLOWING TERMS:

(Terms, if any, of acceptable offer)

IF YOU WANT TO ACCEPT THIS OFFER YOU MUST NOTIFY (. . . the state, federal agency, *limited partnership*, or corporation . . .) IN WRITING THAT YOU ACCEPT THE OFFER OR SIGN UNDERNEATH THE FOLLOWING PARAGRAPH AND RETURN A COPY OF THIS NOTICE BY (15 for a lease, 65 for a sale) DAYS AFTER THIS NOTICE IS PERSONALLY DELIVERED OR MAILED TO YOU. THE OFFER IN THIS NOTICE TERMINATES ON (. date of termination - 15 days for lease and 65 days for sale after date of mailing or personal delivery) .

ACCEPTANCE OF OFFER

I ACCEPT THE OFFER TO (BUY, LEASE) THE AGRICULTURAL LAND DESCRIBED ABOVE AT THE PRICE OFFERED TO ME IN THIS NOTICE. AS PART OF ACCEPTING THIS OFFER I WILL PERFORM ACCORDING TO THE TERMS OF THE OFFER, INCLUDING MAKING PAYMENTS DUE UNDER THE OFFER, WITHIN TEN DAYS AFTER THE DATE I ACCEPT THIS OFFER.

.....
Signature of Former Owner Accepting Offer

.....
Date”

(b) For an offer to sell, a copy of the purchase agreement containing the price and terms of the highest offer made by a third party that is acceptable to the seller and a signed affidavit by the seller affirming that the purchase agreement is true, accurate, and made in good faith must be included with the notice under this subdivision. At the seller's discretion, reference to the third party's identity may be deleted from the copy of the purchase agreement.

(c) For an offer to lease, a copy of the lease containing the price and terms of the highest offer made by a third party that is acceptable to the lessor and a signed affidavit by the lessor affirming that the lease is true, accurate, and made in good faith must be included with the notice under this subdivision. At the lessor's discretion, reference to the third party's identity may be deleted from the copy of the lease agreement.

(d) The affidavit under paragraphs (b) and (c) is subject to section 609.48.

Sec. 9. [EFFECTIVE DATE.]

This act is effective May 1, 1988.”

Delete the title and insert:

“A bill for an act relating to agriculture; limiting ownership of agricultural land by certain corporations and limited partnerships; amending Minnesota Statutes 1986, section 500.24, subdivisions 3, 3a, 3b, 4, and 5; Minnesota Statutes 1987 Supplement, section 500.24, subdivisions 2, 6, and 7.”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Davis from the Committee on Agriculture, to which was referred

S.F. No. 2447: A bill for an act relating to agriculture; establishing an industrial by-product soil buffering materials demonstration project and study; appropriating money.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [17.7241] [DEFINITIONS.]

Subdivision 1. [SCOPE.] The definitions in this section apply to sections 1 to 6.

Subd. 2. [COMMISSIONER.] “Commissioner” means the commissioner of agriculture.

Subd. 3. [INDUSTRIAL BY-PRODUCT SOIL BUFFERING MATERIAL.] “Industrial by-product soil buffering material” means an industrial waste or by-product or the by-product of municipal water treatment processes containing calcium or magnesium or both in a form that may neutralize soil acidity.

Subd. 4. [LIMESTONE.] “Limestone” means a material consisting essentially of calcium carbonate or a combination of calcium carbonate with magnesium carbonate capable of neutralizing soil acidity.

Subd. 5. [SOIL BUFFERING MATERIALS.] “Soil buffering materials” means materials whose calcium or magnesium or both are capable of neutralizing soil acidity.

Subd. 6. [STOCKPILE.] “Stockpile” means a supply of agricultural soil buffering material stored for future use.

Subd. 7. [TNP] “TNP” means total neutralizing power and is the number of pounds of neutralizing value in one ton of a soil buffering material.

Sec. 2. [17.7242] [SOIL BUFFERING DEMONSTRATION PROJECT AND STUDY.]

Subdivision 1. [PURPOSE.] The purpose of the demonstration project required under sections 1 to 6 is to identify appropriate and mutually beneficial methods for the utilization of industrial by-product soil buffering materials. Proper utilization will minimize current waste disposal problems, provide a market for an underutilized resource, and make available to farmers an effective, low-cost soil buffering product.

Subd. 2. [AUTHORITY.] The commissioner must coordinate the design and implementation of a demonstration project to examine the technical feasibility, economic benefits, and environmental impacts of utilizing industrial by-product soil buffering materials as a substitute for limestone and other traditional soil buffering materials.

Subd. 3. [PROCEDURES DEVELOPED.] The demonstration project will identify and recommend as proposed standards appropriate procedures for the sampling, analysis, TNP labeling storage, stockpiling, transportation, and application of industrial by-product soil buffering materials. After TNP labeling standards have been established, which shall be no later than March 1, 1989, they shall be provided to the landowner or tenant prior to land application or stockpiling.

Subd. 4. [SCOPE.] The demonstration project must be on a scale deemed by the commissioner to be efficient and manageable while providing the greatest practicable utilization of industrial by-product soil buffering materials for agricultural purposes.

Sec. 3. [17.7423] [RESPONSIBILITIES OF THE COMMISSIONER.]

Subdivision 1. [BROAD PARTICIPATION.] The commissioner shall seek participation in the demonstration project by other persons, institutions, and organizations having an interest in soil buffering materials and industrial by-product soil buffering materials including the pollution control agency, one or more counties, one or more soil and water conservation districts, and the University of Minnesota.

Subd. 2. [PUBLIC EDUCATION.] The commissioner shall seek to maximize the public education benefit of the demonstration program.

Sec. 4. [17.7424] [ENVIRONMENTAL CONTROLS.]

Subdivision 1. [SAMPLING; ANALYSIS.] The commissioner and the commissioner's agents may sample, inspect, make analysis of, and test industrial by-product soil buffering materials used in the demonstration project and study at a time and place and to an extent the commissioner considers necessary to determine whether the agricultural soil buffering materials are suitable for the project. The commissioner and the commissioner's agents may enter public or private premises where demonstration projects are being conducted in order to have access to:

- (1) soil buffering materials used in the demonstration project;*
- (2) sampling of sites actually or reportedly exposed to agricultural soil buffering materials;*
- (3) inspection of storage, handling, transportation, use, or disposal areas of industrial by-product soil buffering materials;*
- (4) inspection or investigation of complaints of injury to humans, wildlife, domesticated animals, crops, or the environment;*
- (5) observation of the use and application of the soil buffering material;*
- (6) inspection of records related to the production, transportation, stockpiling, use, or disposal of industrial by-product soil buffering material; and*
- (7) other purposes necessary to implement sections 1 to 6.*

Subd. 2. [RECEIPT FOR INSPECTION SAMPLES; REPORT ON ANALYSES.] Before leaving inspected premises, the commissioner shall provide the owner, operator, or agent in charge with a receipt describing any samples obtained. If an analysis is made of the samples, a copy of the results of the analysis must be furnished to the owner, operator, or agent in charge.

Subd. 3. [EMERGENCY INSPECTION.] The commissioner and the commissioner's agents may enter public or private property without a notice of inspection if a suspected incident involving industrial by-product soil buffering materials may threaten public health or the environment.

Sec. 5. [17.7425] [REPORT.]

The commissioner shall report to the house of representatives and senate committees on agriculture, by March 1, 1989, and on March 1 of each

year afterwards, about the activities, findings, and recommendations related to the demonstration project.

Sec. 6. [APPROPRIATION.]

\$70,000 is appropriated from the general fund to the commissioner of agriculture for purposes of the demonstration project and study of industry by-product soil buffering materials. Of this amount, up to \$50,000 is available to the commissioner for expenses of administering and coordinating the demonstration project. The balance of the appropriation may be used by the commissioner for material testing and analysis and other activities related to the demonstration project and performed by the University of Minnesota or other qualified participants or organizations. The appropriation is available until June 29, 1991.

Sec. 7. [REPEALER.]

Sections 1 to 5 are repealed June 30, 1991.

Sec. 8. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Amend the title as follows:

Page 1, line 4, before the period, insert "; proposing coding for new law in Minnesota Statutes, chapter 17"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Davis from the Committee on Agriculture, to which was referred

H.F. No. 2735: A resolution memorializing the President to immediately direct the Secretary of Agriculture to halt the forced movement of Farmer-Owned Reserve grains to commercial warehouses.

Reports the same back with the recommendation that the resolution do pass. Report adopted.

Mr. Davis from the Committee on Agriculture, to which was referred

S.F. No. 2128: A bill for an act relating to food; requiring labeling of certain foods that may contain banned substances harmful to human health; making findings; prescribing country of origin labeling for fresh, processed, and prepared foods; requiring findings and rules to determine goods requiring country of origin labeling; requiring seizure of mislabeled food; establishing liability for persons injured for mislabeled food; prescribing penalties; amending Minnesota Statutes 1986, section 31.12.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [FOOD LABELING STUDY.]

The commissioners of agriculture, health, and the pollution control agency shall jointly investigate and report on:

(1) the extent to which countries other than the United States allow application of pesticides to fruits, vegetables, and grains, and administration of animal drugs and antibiotics that are banned for use in the

United States;

(2) the extent to which fruits, grains, vegetables, livestock, meats, and other foods with residues of pesticides, animal drugs, and antibiotics are imported into this state from foreign countries and sold for human consumption;

(3) a procedure for labeling fruits, grains, vegetables, meats, and other foods in order to protect the health of the citizens of this state; and

(4) other options for protecting consumers from adverse health effects.

The commissioners must cooperate with appropriate members of the food industry, government agencies, consumers, public interest groups, and others in formulating the report.

The report must be submitted to the agriculture, health and human services, and environment and natural resources committees of each house of the legislature by January 2, 1989.

Sec. 2. [APPROPRIATION.]

\$50,000 is appropriated from the general fund to the commissioner of agriculture for the report required under section 1. The complement of the department of agriculture is increased by one position."

Delete the title and insert:

"A bill for an act relating to food; requiring a study of pesticides, animal drugs and antibiotics in food; appropriating money."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Davis from the Committee on Agriculture, to which was referred

S.F. No. 2076: A bill for an act relating to agriculture; appropriating money for a seller-sponsored loan program for beginning farmers.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1987 Supplement, section 41B.01, subdivision 2, is amended to read:

Subd. 2. [PURPOSE.] Sections 41B.01 to 41B.23 create and establish the Minnesota rural finance authority and establish a program under which state bonds are authorized to be issued and proceeds of their sale are appropriated under the authority of article XI, section 5, clause (h) of the Minnesota Constitution, to develop the state's agricultural resources by extending credit on real estate security. The purpose of the rural finance authority's programs and of the bonds issued to finance or provide security for the programs is to purchase participation interests in loans, *including seller-sponsored loans* to be made available by agricultural lenders to farmers on terms and conditions not otherwise available from other credit sources. It is hereby found and declared that there presently exist in the state economic conditions which have severely adversely affected the economic viability of farms to the detriment of the rural economy and to the detriment of the economy of the state of Minnesota as a whole. It is further found and declared that as a result of public agricultural policies, agricultural

market conditions, and other causes, the condition of the farm economy of the state of Minnesota is such as to jeopardize the continued existence and successful operation of farms in this state, necessitating the establishment of the programs in sections 41B.01 to 41B.23 to provide new sources of credit on favorable terms and conditions. It is further found and declared that providing credit for farmers on favorable terms and conditions will serve and promote the public welfare by assuring the viability of farm operations, by preventing erosion of the tax base in rural areas, by reducing foreclosures on farm property, and by enhancing the financial stability of farmers and of the businesses which depend on farmers as customers. It is further found and declared that in establishing a Minnesota rural finance authority and in authorizing the programs in sections 41B.01 to 41B.23, the legislature is acting in all respects for the benefit of the people of the state of Minnesota to serve the public purpose of improving and otherwise promoting their health, welfare, and prosperity and that the Minnesota rural finance authority, as created and established, is empowered to act on behalf of the people of the state of Minnesota in serving this public purpose for the benefit of the general public.

Sec. 2. Minnesota Statutes 1986, section 41B.02, is amended by adding a subdivision to read:

Subd. 18. [SELLER-SPONSORED LOAN.] "Seller-sponsored loan" means a loan in which part or all of the price of a farm is financed by a loan from the seller of the farm who is a natural person, a partnership, or a family farm corporation as defined in section 500.24, located in Minnesota. The loan must be secured by a real estate mortgage evidenced by one or more notes that may carry different interest rates or by a contract for deed. The definition of a seller-sponsored loan under this subdivision does not include a loan between persons within the second degree of kindred according to common law.

Sec. 3. Minnesota Statutes 1987 Supplement, section 41B.03, subdivision 3, is amended to read:

Subd. 3. [BEGINNING FARMER LOANS.] In addition to the requirements under subdivision 1, a prospective borrower for a beginning farm loan, *including a seller-sponsored loan, in which the authority holds an interest, must:*

- (1) have sufficient education, training, or experience in the type of farming for which the loan is desired;
- (2) have a total net worth, including assets and liabilities of the borrower's spouse and dependents, of less than \$100,000 \$150,000;
- (3) demonstrate a need for the loan;
- (4) demonstrate an ability to repay the loan;
- (5) demonstrate that the agricultural land to be purchased will be used by the borrower for agricultural purposes; and
- (6) demonstrate that farming will be the principal occupation of the borrower.

Sec. 4. Minnesota Statutes 1987 Supplement, section 41B.039, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT.] The authority may establish, develop criteria, and implement a beginning farmer program. The program must

assist persons entering farming who have not owned a farm before entering the beginning farmer program. *The program may include assistance for persons entering or reentering farming through the use of seller-sponsored loans.*

Sec. 5. Minnesota Statutes 1987 Supplement, section 41B.039, subdivision 2, is amended to read:

Subd. 2. [STATE PARTICIPATION.] The state may participate in a new real estate loan with an eligible lender to a beginning farmer to the extent of ~~one-fourth~~ 35 percent of the principal amount of the loan or \$25,000 \$50,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may be different than the interest rates and repayment terms of the lender's retained portion of the loan.

Sec. 6. Minnesota Statutes 1987 Supplement, section 41B.05, is amended to read:

41B.05 [GENERAL POWERS OF THE AUTHORITY.]

For the purpose of exercising the specific powers granted in section 41B.04 and effectuating the other purposes of sections 41B.01 to 41B.23 the authority has the general powers granted in this section.

- (a) It may sue and be sued.
- (b) It may have a seal and alter the seal.
- (c) It may make, and from time to time, amend and repeal rules consistent with sections 41B.01 to 41B.23.
- (d) It may acquire, hold, and dispose of *real or* personal property for its corporate purposes.
- (e) It may enter into agreements, contracts, or other transactions with any federal or state agency, any person and any domestic or foreign partnership, corporation, association, or organization, including contracts or agreements for administration and implementation of all or part of sections 41B.01 to 41B.23.
- (f) It may acquire real property, or an interest therein, in its own name, by purchase or foreclosure, where such acquisition is necessary or appropriate.
- (g) It may provide general technical services related to rural finance.
- (h) It may provide general consultative assistance services related to rural finance.
- (i) It may promote research and development in matters related to rural finance.
- (j) It may enter into agreements with lenders, borrowers, or the issuers of securities for the purpose of regulating the development and management of farms financed in whole or in part by the proceeds of qualified agricultural loans.

(k) It may enter into agreements with other appropriate federal, state, or local governmental units to foster rural finance. It may give advance reservations of loan financing as part of the agreements, with the understanding that the authority will only approve the loans pursuant to normal procedures, and may adopt special procedures designed to meet problems inherent in such programs.

(l) It may undertake and carry out studies and analyses of rural financing needs within the state and ways of meeting such needs including: data with respect to geographical distribution; farm size; the distribution of farm credit needs according to debt ratios and similar factors; the amount and quality of available financing and its distribution according to factors affecting rural financing needs and the meeting thereof; and may make the results of such studies and analyses available to the public and may engage in research and disseminate information on rural finance.

(m) It may survey and investigate the rural financing needs throughout the state and make recommendations to the governor and the legislature as to legislation and other measures necessary or advisable to alleviate any existing shortage in the state.

(n) It may establish cooperative relationships with such county and multicounty authorities as may be established and may develop priorities for the utilization of authority resources and assistance within a region in cooperation with county and multicounty authorities.

(o) It may contract with, use, or employ any federal, state, regional, or local public or private agency or organization, legal counsel, financial advisors, investment bankers or others, upon terms it deems necessary or desirable, to assist in the exercise of any of the powers granted in sections 41B.01 to 41B.23 and to carry out the objectives of sections 41B.01 to 41B.23 and may pay for the services from authority funds.

(p) It may establish cooperative relationships with counties to develop priorities for the use of authority resources and assistance within counties and to consider county plans and programs in the process of setting the priorities.

(q) It may delegate any of its powers to its officers or staff.

(r) It may enter into agreements with qualified agricultural lenders or others insuring or guaranteeing to the state the payment of all or a portion of qualified agricultural loans.

(s) It may enter into agreements with eligible agricultural lenders providing for advance reservations of purchases of participation interests in restructuring loans, if the agreements provide that the authority may only purchase participation interests in restructuring loans under the normal procedure. The authority may provide in an agreement for special procedures or requirements designed to meet specific conditions or requirements.

(t) It may allow farmers who are natural persons to combine programs of the federal Agriculture Credit Act of 1987 with programs of the rural finance administration."

Delete the title and insert:

"A bill for an act relating to agriculture; including seller-sponsored loans in the beginning farmer loan program; amending Minnesota Statutes 1986, section 41B.02, by adding a subdivision; Minnesota Statutes 1987 Supplement, sections 41B.01, subdivision 2; 41B.03, subdivision 3; 41B.039, subdivisions 1 and 2; and 41B.05."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 2293: A bill for an act relating to human services; providing medical assistance to certain work activity programs; establishing pilot program; amending Minnesota Statutes 1987 Supplement, section 256B.02, subdivision 8; proposing coding for new law in Minnesota Statutes, chapter 256B.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [FEASIBILITY STUDY FOR HABILITATION SERVICES.]

The commissioner of human services, in consultation with the commissioner of jobs and training, shall study the feasibility of providing medical assistance reimbursement to work activity programs for training and habilitative services provided to participants. The commissioner shall report the findings to the legislature by December 1, 1988. For the purposes of this section, a work activity program is as defined in section 129A.01.”

Delete the title and insert:

“A bill for an act relating to human services; requiring a study of the feasibility of reimbursing work activity programs through the medical assistance program.”

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

H.F. No. 2615: A bill for an act relating to health; providing for a temporary license for freestanding 24-hour emergency medical centers until permanent rules are adopted.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 2525: A resolution memorializing the President and Congress of the United States to enact a program of national health insurance.

Reports the same back with the recommendation that the resolution do pass. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 1853: A bill for an act relating to general assistance medical care; making prisoners eligible for benefits; amending Minnesota Statutes 1987 Supplement, section 256D.03, subdivision 3.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 145.853, subdivision 2, is amended to read:

Subd. 2. In seeking to determine whether a disabled person suffers from an illness, a law enforcement officer shall make a reasonable search for an identifying device and an identification card of the type described in section 145.852, subdivision 2 and examine them for emergency information. The law enforcement officer may not search for an identifying device or an identification card in a manner or to an extent that would appear to a reasonable person in the circumstances to cause an unreasonable risk of worsening the disabled person's condition. *The law enforcement officer may not remove an identifying device or an identification card from the possession of a disabled person unless the removal is necessary for law enforcement purposes or to protect the safety of the disabled person.*

Sec. 2. Minnesota Statutes 1987 Supplement, section 256D.03, subdivision 3, is amended to read:

Subd. 3. [GENERAL ASSISTANCE MEDICAL CARE; ELIGIBILITY.] General assistance medical care may be paid for any person:

(1) who is eligible for assistance under section 256D.05 or 256D.051 and is not eligible for medical assistance under chapter 256B; or

(2) who is a resident of Minnesota; whose income as calculated under chapter 256B is not in excess of the medical assistance standards or whose excess income is spent down pursuant to chapter 256B; and whose equity in resources is not in excess of \$1,000 per assistance unit. Exempt real and liquid assets, the reduction of excess assets, and the waiver of excess assets must conform to the medical assistance program in chapter 256B.

General assistance medical care may be paid for a person, regardless of age, who is detained by law for less than one year in a county correctional or detention facility as a person accused or convicted of a crime, or admitted as an inpatient to a hospital on a criminal hold order, if the person is a recipient of general assistance medical care at the time the person is detained by law or admitted on a criminal hold order and as long as the person continues to meet other eligibility requirements of this subdivision.

Eligibility is available for the month of application and for three months prior to application if the person was eligible in those prior months. A redetermination of eligibility must occur every 12 months.

Sec. 3. Minnesota Statutes 1986, section 609.72, subdivision 1, is amended to read:

Subdivision 1. Whoever does any of the following in a public or private place, knowing, or having reasonable grounds to know that it will, or will tend to, alarm, anger or disturb others or provoke an assault or breach of the peace, is guilty of disorderly conduct, which is a misdemeanor:

(1) Engages in brawling or fighting; or

(2) Disturbs an assembly or meeting, not unlawful in its character; or

(3) Engages in offensive, obscene, or abusive language or in boisterous and noisy conduct tending reasonably to arouse alarm, anger, or resentment in others.

A person does not violate this section if the person's disorderly conduct was caused by an epileptic seizure."

Delete the title and insert:

"A bill for an act relating to human services; limiting the authority of a police officer to remove identification from a disabled person; providing that disorderly conduct caused by an epileptic seizure is not a crime; making certain prisoners eligible for general assistance medical benefits; amending Minnesota Statutes 1986, sections 145.853, subdivision 2; and 609.72, subdivision 1; Minnesota Statutes 1987 Supplement, section 256D.03, subdivision 3."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Pehler from the Committee on Education, to which was referred

S.F. No. 1284: A bill for an act relating to education; establishing a regent candidate search commission to assist the legislature in identifying candidates for the board of regents; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 137.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 3.971, subdivision 1, is amended to read:

Subdivision 1. To perform financial audits the legislative auditor shall postaudit and make a complete examination and verification of all accounts, records, inventories, vouchers, receipts, funds, securities, and other assets of all state departments, and boards, *including the board of regents of the University of Minnesota, state commissions, and other state agencies* at least once a year, if funds and personnel permit, and oftener if deemed necessary or as directed by the legislature or the legislative audit commission. Audits may include detailed checking of every transaction or test checking as the legislative auditor deems best. The books of the state treasurer and commissioner of finance may be examined monthly. The legislative auditor shall see that all provisions of law respecting the appropriate and economic use of public funds are complied with by all departments and agencies of the state government.

A copy of all postaudits, reports and results of examinations made by the legislative auditor shall be deposited with the legislative reference library.

Sec. 2. [137.0245] [BUDGETARY INFORMATION.]

The board of regents of the University of Minnesota shall make available to the commissioner of finance all books, accounts, documents, and property that the commissioner desires to inspect. The regents shall afford the commissioner reasonable facilities for conducting these inspections.

Sec. 3. Minnesota Statutes 1987 Supplement, section 137.025, subdivision 1, is amended to read:

Subdivision 1. The commissioner of finance shall pay no money to the University of Minnesota pursuant to a direct appropriation, other than an

appropriation for buildings, until the university first certifies to the commissioner of finance *determines that its the aggregate balances of the university* in the temporary investment pool, cash, or separate investments, resulting from all state maintenance and special appropriations do not exceed \$7,000,000, or any other amount specified in the act making the appropriation, plus one-third of all tuition and fee payments from the previous fiscal year. Upon this ~~certification~~ *determination*, 1/12 of the annual appropriation to the university shall be paid at the beginning of each month. Additional payments shall be made by the commissioner of finance whenever the state appropriations and tuition aggregate balances in the temporary investment pool, cash, or separate investments are reduced below the indicated levels.

Sec. 4. Minnesota Statutes 1986, section 137.025, subdivision 2, is amended to read:

Subd. 2. The commissioner of finance shall pay no money to the university of Minnesota pursuant to a direct appropriation for buildings until *the commissioner has determined that all balances separately invested, including cash, and those in the temporary investment pool attributable to all state building funds shall be reduced below \$5,000,000, or any other amount specified in the act making the appropriation. Payment shall then be made upon certification of the amounts needed for construction payments, but so as not to increase the building balances in cash, separately invested, or in the temporary investment pool, to a total above the indicated level.*"

Delete the title and insert:

"A bill for an act relating to education; clarifying the authority of the legislative auditor to conduct financial audits of the assets of the University of Minnesota; assuring access to university financial information; requiring certain determinations by the commissioner of finance; amending Minnesota Statutes 1986, sections 3.971, subdivision 1; 137.025, subdivision 2; Minnesota Statutes 1987 Supplement, section 137.025, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 137."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Pehler from the Committee on Education, to which was referred

S.F. No. 2419: A bill for an act relating to youth employment; providing planning grants for the design of youth employment programs; appropriating money.

Reports the same back with the recommendation that the bill be re-referred to the Committee on Rules and Administration without recommendation. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 2425: A bill for an act relating to creditors' remedies; regulating executions, redemptions, exemptions, and garnishments; revising, clarifying, and standardizing procedures; providing certain sanctions; updating certain forms; lengthening the period of effectiveness of summary executions; modifying an employer's obligations with regard to a garnishment summons; proposing coding for new law in Minnesota Statutes, chapters

550 and 571; repealing Minnesota Statutes 1986, sections 550.041; 550.05; 550.14; 550.141; and 571.41 to 571.69.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 24, delete "to" and insert "on"

Page 1, line 25, delete "Upon receipt," and insert:

"Within 30 days after receipt of the execution, the judgment creditor shall also serve upon the third party a nonearnings disclosure form that must be substantially in the form set forth below. If the execution is upon earnings, the judgment creditor shall serve upon the third party the execution earnings disclosure form as set forth in section 550.1411, subdivision 4.

COUNTY OF JUDICIAL DISTRICT
..... (Creditor)
against
..... (Debtor)
and
..... (Third Party)
EXECUTION
NONEARNINGS DISCLOSURE

On the day of, 19 . . . , the time of service of execution herein, there was due and owing the debtor from the third party the following:

- (1) Money. Enter on the line below any amounts due and owing the judgment debtor, except earnings, from the third party.
(2) Property. Describe on the line below any personal property, instruments, or papers belonging to the debtor and in the possession of the third party.
(3) Set-off. Enter on the line below the amount of any set-off, defense, lien, or claim which the third party claims against the amount set forth on lines (1) and (2) above. State the facts by which such set-off, defense, lien, or claim is claimed. (Any indebtedness to a third party incurred by the debtor within ten days prior to the receipt of the first execution on a debt is void as to the creditor.)
(4) Exemption. Enter on the line below any amounts or property claimed by the judgment debtor to be exempt from execution.
(5) Adverse Interest. Enter on the line below any amounts claimed by other persons by reason of ownership or interest in the judgment debtor's property.
(6) Enter on the line below the total of lines (4), (5), and (6).
(7) Enter on the line below the difference obtained (never less than zero) when line (6) is subtracted from the sum of lines (1) and (2).
(8) Enter on the line below 110 percent of the amount of the creditor's claim which remains unpaid.

.....
(9) Enter on the line below the lessor of line (8) and line (9). You are here-
by instructed to remit this amount only if it is \$10 or more.
.....

AFFIRMATION

I, (person signing Affirmation) am the third party or I am
authorized by the third party to complete this nonearnings disclosure, and
have done so truthfully and to the best of my knowledge.

Date:

.....
Signature

.....
Title

.....
Telephone Number”

Page 1, line 26, delete “subdivision 2” and insert “subdivisions 2 to 6”
and after “remit” insert “and disclose”

Page 2, line 10, delete “set out in section 571.912” and insert “adopted
by rule under section 571.933”

Page 2, line 12, after the period, insert “However, if this subdivision is
being used to execute on funds that have previously been garnished in
compliance with section 571.71, the judgment creditor is not required to
serve an additional exemption notice. In that event, the execution shall
only be effective as to the funds that were subject to the prior garnishment.”

Page 2, line 30, delete “of” in both places and insert “to” in both places

Page 3, line 20, delete everything after “form”

Page 3, line 21, delete everything before the period and insert “adopted
by rule under section 571.933”

Page 3, lines 27 and 31, delete “notice of motion and motion” and insert
“request for hearing and notice of hearing”

Page 3, line 29, delete “of” and insert “to”

Page 3, line 30, delete “has” and insert “had”

Page 5, line 4, after “DISCLOSE” insert “OR REMIT” and after “to”
insert “disclose or”

Page 5, line 10, after “disclose” insert “or remit”

Page 6, line 12, delete “set out in section 571.912” and insert “adopted
by rule under section 571.933”

Page 6, line 32, delete “of” in both places and insert “to” in both places

Page 7, line 3, delete “claimed” and after “to” insert “claim”

Page 7, line 22, delete everything after “form”

Page 7, line 23, delete everything before the period and insert “adopted
by rule under section 571.933”

Page 7, line 34, delete “institution” and insert “institution”

Page 8, delete lines 34 to 36 and insert:

"Subdivision 1. [PROCEDURE.] When earnings are levied upon, this section must be complied with, in addition to the general provisions specified in either section 550.0411 or 550.141."

Page 9, line 21, delete "set out in section 571.925" and insert "adopted by rule under section 571.933"

Page 9, lines 26 and 34, delete "550.041" and insert "550.0411"

Page 10, line 3, after "FORM" insert "AND WORKSHEET"

Page 10, line 5, after "form" insert "and an earnings disclosure worksheet"

Page 10, line 6, delete "following form:" and insert "form adopted by rule under section 571.933."

Delete page 10, line 7, to page 15, line 18

Page 15, line 26, after "execution" insert "earnings"

Page 15, line 29, after the second "the" insert "execution earnings"

Page 16, line 18, delete "DISCLOSE" and insert "REMIT"

Page 16, line 25, delete "disclose" and insert "remit"

Page 17, line 14, delete "571.91 to 571.915" and insert "571.911 to 571.914"

Page 17, line 16, delete "571.927" and insert "571.926"

Page 17, line 21, delete "statutory" and after "forms" insert "adopted by rule under section 571.933"

Page 20, line 9, delete "a" and insert "the applicable"

Page 20, line 10, delete "set forth in section 571.75" and insert "adopted by rule under section 571.933"

Page 20, line 13, after "If" insert a comma

Page 20, line 14, delete "571.913" and insert "571.912"

Page 20, line 36, delete "statutory" and after "forms" insert "adopted by rule under section 571.933"

Page 21, line 1, delete "statutory"

Page 21, line 10, delete "NOTICE" and insert "NOTICES"

Page 21, line 12, delete everything after the period

Page 21, delete lines 13 to 36 and insert:

"Separate garnishment exemption notices must be adopted by rule under section 571.933 for:

(1) the garnishment of earnings, which notice must be served ten or more days before the service of the garnishment summons;

(2) the garnishment of funds in a financial institution, which notice must be served with the garnishment summons; and

(3) all other cases, which notice must be served with the garnishment summons."

Page 22, delete lines 1 to 35

Page 23, line 20, delete "district courts" and insert "District Courts"

Page 24, line 32, delete "following" and after "form" insert "adopted by rule under section 571.933"

Delete page 24, line 34, to page 27, line 8

Page 27, line 16, after "disclosure" insert "and earnings disclosure worksheet"

Page 28, line 2, after "of" insert "the garnishee to"

Page 28, line 15, after "forms" insert "and earnings disclosure worksheet"

Page 28, line 16, delete "following" and after "forms" insert "adopted by rule under section 571.933"

Page 28, lines 18 and 21, after "form" insert "adopted by rule under section 571.933"

Delete page 28, line 24, to page 35, line 21, and insert:

"Subd. 3. [ORAL DISCLOSURE.] Before or after the service of a written disclosure by a garnishee under subdivision 1, upon a showing by affidavit upon information and belief that an oral examination of the garnishee would provide a complete disclosure of relevant facts, any party to the garnishment proceedings may obtain an ex parte order requiring the garnishee, or a representative of the garnishee designated by name or by title, to appear for oral examination before the court or a referee appointed by the court.

Subd. 4. [SUPPLEMENTAL COMPLAINT.] If a garnishee holds property or other indebtedness by a title that is void as to the debtor's creditors, the property may be garnished although the debtor would be barred from maintaining an action to recover the property or indebtedness. In this and all other cases where the garnishee denies liability, the creditor may move the court at any time before the garnishee is discharged, on notice to both the debtor and the garnishee for an order making the garnishee a party to the action and granting the creditor leave to file a supplemental complaint against the garnishee and the debtor. The supplemental complaint shall set forth the facts upon which the creditor claims to charge the garnishee. If probable cause is shown, the motion shall be granted. The supplemental complaint shall be served upon both the garnishee and the debtor, either or both of whom may answer. All subsequent proceedings and trial shall be pursuant to Rules of Civil Procedure for the District Courts of Minnesota as in other actions."

Page 38, line 7, delete "who" and insert a comma

Page 41, line 31, delete everything before the period and insert "adopted by rule under section 571.933"

Page 41, line 35, after "under" insert "section"

Pages 42 to 45, delete section 27

Page 45, line 19, delete "[571.913]" and insert "[571.912]"

Page 46, line 10, delete "[571.914]" and insert "[571.913]"

Page 46, line 20, delete everything before the period and insert "adopted by rule under section 571.933"

Delete page 46, line 35, to page 48, line 33

Page 48, line 34, delete "[571.915]" and insert "[571.914]"

Page 49, lines 5 and 8, delete "571.927" and insert "571.926"

Page 49, line 31, delete "[517.922]" and insert "[571.922]"

Page 50, line 33, delete everything after "form" and insert "adopted by rule under section 571.933"

Page 50, line 34, delete "chapter"

Page 51, line 1, delete "in" and insert "after"

Page 51, line 18, delete "after" and insert "before" and delete "a subsequent" and insert "another"

Pages 51 to 54, delete section 36

Page 54, line 4, delete "[571.926]" and insert "[571.925]"

Page 54, line 14, delete "[571.927]" and insert "[571.926]"

Page 55, line 30, after "in" insert "a"

Page 57, line 35, delete "the following"

Page 57, line 36, delete "following language:" and insert "form adopted by rule under section 571.933. The notice of hearing must be accompanied by an exemption notice."

Delete page 58, line 1, to page 59, line 18

Page 60, line 7, delete "the following"

Page 60, line 8, delete "following language:" and insert "form adopted by rule under section 571.933. The notice of hearing must be accompanied by an exemption notice."

Delete page 60, line 9, to page 61, line 21

Page 62, line 2, delete "seizure" and insert "garnishment"

Page 62, line 16, delete "requiring seizure" and insert "permitting prejudgment garnishment"

Page 63, line 12, delete "6" and insert "7"

Page 63, after line 23, insert:

"Sec. 40. [571.933] [ADOPTION OF FORMS.]

The commissioner of commerce may appoint an advisory task force to recommend the adoption of the forms referred to in sections 1 to 39. The commissioner shall by rule adopt forms as required by sections 1 to 39."

Page 63, after line 29, insert:

"Sec. 42. [EFFECTIVE DATES.]

Section 40 is effective the day following final enactment. Sections 1 to 39 and 41 are effective January 1, 1989."

Re-number the sections in sequence

Amend the title as follows:

Page 1, line 5, delete "updating certain" and insert "providing for the adoption of"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 2023: A bill for an act relating to real property; requiring recording of transfers of contracts for deed; providing penalties; amending Minnesota Statutes 1986, section 507.235.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1986, section 507.235, is amended to read:

Subdivision 1. [FILING REQUIRED.] All contracts for deed executed on or after January 1, 1984, shall be recorded by the vendee within six four months in the office of the county recorder or registrar of titles in the county in which the land is situated located. Any other person may record the contract.

A person receiving an assignment of a vendee's interest in a contract for deed that is transferred on or after January 1, 1989, shall record the assignment within four months of the date of transfer in the office of the county recorder or registrar of titles in the county in which the land is located. For the purpose of this section, “assignment” means an assignment or other transfer of all or part of a vendee's interest in a contract for deed. Any other person may record an assignment.

Subd. 2. [PENALTY FOR FAILURE TO FILE.] (a) If a contract for deed is not filed A vendee who fails to record a contract for deed, as required by subdivision 1, is subject to a civil penalty, payable under subdivision 5, is imposed equal to 0-15 two percent of the principal amount of the contract debt. Payments of the penalty shall be deposited in the general fund of the county. The penalty shall be may be enforced as a lien against the vendee's interest in the property and shall have the same priority and be collected in the same manner provided for real property taxes.

(b) A person receiving an assignment of a vendee's interest in a contract for deed who fails to record the assignment as required by subdivision 1 is subject to a civil penalty, payable under subdivision 5, equal to two percent of the original principal amount of the contract debt. Payments of the penalty must be deposited in the general fund of the county. The penalty may be enforced as a lien against the vendee's interest in the property.

Subd. 3. [DISCLOSURE.] (a) Whenever a contract for deed or assignment of a vendee's interest in a contract for deed is not recorded and a city or county attorney requires information concerning the contract for deed or assignment of contract for deed for the performance of the attorney's duties on behalf of the city or county, the city or county attorney may request disclosure under paragraph (b).

(b) A vendor, vendee, or current or former holder of a vendor's or vendee's interest in a contract for deed, a person who collects payments made under a contract for deed, or a person in possession of the property subject to a contract for deed shall, on written request that includes a copy of this section made by the city or county attorney of the city or county in which the property is located, disclose all information known to the person relating to:

(1) the identity and residence or office mailing address of the parties

to the contract for deed; and

(2) any assignments of the contract for deed.

The disclosure also must include any legible, true and correct copies of each contract for deed and assignment documents in the possession of or reasonably available to the person required to disclose.

The information must be disclosed in writing to the city or county attorney within 14 days of receipt of the written request.

Subd. 4. [CRIMINAL PENALTY.] A person who is required to record a contract for deed or an assignment of a contract for deed under subdivision 1 and who fails to record the contract for deed or assignment within 14 days of receipt of the notice required under subdivision 5 is guilty of a misdemeanor. A city in which the land is located or, if the land is not located within a city, the county in which the land is located, may prosecute criminal violations of this section. This criminal liability is in addition to civil liability imposed under this section.

Subd. 5. [CIVIL ENFORCEMENT.] (a) A city in which the land is located or, if the land is not located within a city, the county in which the land is located, may enforce the provisions of this section. The city or county may bring an action to compel the recording of a contract for deed or any assignments of a contract for deed, an action to impose the civil penalty, or an action to compel disclosure of information.

(b) Prior to bringing an action under this subdivision to compel recording or to impose the penalty, or an action under subdivision 4, the city or county must provide written notice to the person, subject to subdivision 1, of the person's duty to record the contract for deed or the assignment. If the person so notified fails to record the contract for deed or assignment documents within 14 days of receipt of the notice, an action may be brought.

(c) It is an affirmative defense in an enforcement action under this section that the contract for deed or assignment document is not recordable and that the defendant has provided to the city or county attorney true and correct copies of the documents within 14 days after receipt of the notice.

(d) In an action brought under this subdivision, the city or county attorney may recover costs and disbursements, including reasonable attorney fees."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 2055: A bill for an act relating to human services; defining terms; requiring that court receive annual reviews of people with indeterminate commitments; providing for court-ordered community-based non-residential treatment; defining procedures for community-based nonresidential commitment; requiring procedures for release before commitment and provisional discharge; ensuring insurance coverage for court-ordered treatment; amending Minnesota Statutes 1986, sections 253B.02, subdivisions 13, 19, and by adding subdivisions; 253B.03, subdivision 5; 253B.09, subdivision 1; 253B.15, subdivisions 1, 3, 5, 6, 7, and by adding a subdivision; and 253B.16, subdivision 1; Minnesota Statutes 1987 Supplement, sections 62A.152, subdivision 2; and 62D.102; proposing coding for new

law in Minnesota Statutes, chapter 253B; repealing Minnesota Statutes 1986, section 253B.09, subdivision 4.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 253B.02, is amended by adding a subdivision to read:

Subd. 1a. [CASE MANAGER.] "Case manager" has the definition given in section 245.462, subdivision 4, for persons with mental illness.

Sec. 2. Minnesota Statutes 1986, section 253B.02, is amended by adding a subdivision to read:

Subd. 4b. [COMMUNITY-BASED TREATMENT.] "Community-based treatment" means community support services programs defined in section 245.462, subdivision 6; day treatment services defined in section 245.462, subdivision 8; outpatient services defined in section 245.462, subdivision 21; and residential treatment services as defined in section 245.462, subdivision 23.

Sec. 3. Minnesota Statutes 1986, section 253B.02, subdivision 13, is amended to read:

Subd. 13. [MENTALLY ILL PERSON.] "Mentally ill person" means any person who has an organic disorder of the brain or a substantial psychiatric disorder of thought, mood, perception, orientation, or memory which grossly impairs judgment, behavior, capacity to recognize reality, or to reason or understand, which

(a) is manifested by instances of grossly disturbed behavior or faulty perceptions; and

(b) poses a substantial likelihood of physical harm to self or others as demonstrated by:

(i) a failure to obtain necessary food, clothing, shelter, or medical care as a result of the impairment, or

(ii) a recent attempt or threat to physically harm self or others, or

~~(ii) a failure to obtain necessary food, clothing, shelter or medical care, as a result of the impairment.~~ This impairment excludes (a) epilepsy, (b) mental retardation, (c) brief periods of intoxication caused by alcohol or drugs, or (d) dependence upon or addiction to any alcohol or drugs.

Sec. 4. Minnesota Statutes 1986, section 253B.02, subdivision 19, is amended to read:

Subd. 19. [TREATMENT FACILITY.] "Treatment facility" means a hospital, community mental health center, or other ~~institution~~ treatment provider qualified to provide care and treatment for mentally ill, mentally retarded, or chemically dependent persons.

Sec. 5. Minnesota Statutes 1986, section 253B.03, subdivision 5, is amended to read:

Subd. 5. [PERIODIC ASSESSMENT.] A patient has the right to periodic medical assessment. The head of a treatment facility shall have the physical and mental condition of every patient assessed as frequently as necessary,

but not less often than annually. *If a person is committed as mentally retarded for an indeterminate period of time, the three-year judicial review must include the annual reviews for each year as outlined in Minnesota Rules, part 9525.0075, subpart 6.*

Sec. 6. Minnesota Statutes 1986, section 253B.09, subdivision 1, is amended to read:

Subdivision 1. [STANDARD OF PROOF.] *If the court finds by clear and convincing evidence that the proposed patient is a mentally ill, mentally retarded, or chemically dependent person and, that after careful consideration of reasonable alternative dispositions, including but not limited to, dismissal of petition, voluntary outpatient care, informal admission to a treatment facility, appointment of a guardian or conservator, or release before commitment as provided for in subdivision 4, it finds that there is no suitable alternative to judicial commitment, the court shall commit the patient to the least restrictive treatment facility program which can meet the patient's treatment needs consistent with section 253B.03, subdivision 7. In deciding on the least restrictive program, the court shall consider a range of treatment alternatives including, but not limited to, community-based nonresidential treatment, community residential treatment, partial hospitalization, acute care hospital, and regional treatment center services. The court shall also consider the proposed patient's treatment preferences and willingness to participate in the treatment ordered. The court may not commit a patient to a facility or program that is not capable of meeting the patient's needs.*

Sec. 7. [253B.093] [COMMUNITY-BASED TREATMENT.]

Subdivision 1. [FINDINGS.] *In addition to the findings required under section 253B.09, subdivision 2, an order committing a person to community-based treatment must include:*

(1) *a written plan for services to the patient;*

(2) *a finding that the proposed treatment is available and accessible to the patient and that public or private financial resources are available to pay for the proposed treatment;*

(3) *conditions the patient must meet in order to obtain an early release from commitment or to avoid a hearing for further commitment; and*

(4) *consequences of the patient's failure to follow the commitment order. Consequences may include commitment to another setting for treatment.*

Subd. 2. [CASE MANAGER.] *When a court commits a patient with mental illness to community-based treatment, the court shall appoint a case manager from the county agency or other entity under contract with the county agency to provide case management services.*

Subd. 3. [REPORTS.] *The case manager shall report to the court at least once every 90 days. The case manager shall immediately report a substantial failure of the patient or provider to comply with the conditions of the commitment.*

Subd. 4. [MODIFICATION OF ORDER.] *An order for community-based treatment may be modified upon agreement of the parties and approval of the court.*

Subd. 5. [NONCOMPLIANCE.] *The case manager may petition for a reopening of the commitment hearing if a patient or provider fails to comply*

with the terms of an order for community-based treatment.

Subd. 6. [IMMUNITY FROM LIABILITY.] No facility or person is financially liable, personally or otherwise, for actions of the patient if the facility or person follows accepted professional judgment, practice, and standards in the management, supervision, and treatment of the patient. For purposes of this subdivision, "person" means official, staff, employee of the facility, physician, or other individual who is responsible for the management, supervision, or treatment of a patient's community-based treatment under this section.

Sec. 8. [253B.095] [RELEASE BEFORE COMMITMENT.]

Subdivision 1. [COURT RELEASE.] After the hearing and before a commitment order has been issued, the court may release a proposed patient to the custody of an individual or agency upon conditions that guarantee the care and treatment of the patient. A person against whom a criminal proceeding is pending may not be released. Continuances may not extend beyond 14 days. When the court stays an order for commitment for more than 14 days beyond the date of the initially scheduled hearing, the court shall issue an order that meets the requirements of this section.

Subd. 2. [STAY BEYOND 14 DAYS.] An order staying commitment for more than 14 days must include:

- (1) a written plan for services to which the proposed patient has agreed;*
- (2) a finding that the proposed treatment is available and accessible to the patient and that public or private financial resources are available to pay for the proposed treatment; and*
- (3) conditions the patient must meet to avoid imposition of the stayed commitment order.*

A person receiving treatment under this section has all rights under this chapter.

Subd. 3. [CASE MANAGER.] When a court releases a patient with mental illness under this section, the court shall appoint a case manager.

Subd. 4. [REPORTS.] The case manager shall report to the court at least once every 90 days. The case manager shall immediately report a substantial failure of a patient or provider to comply with the conditions of the release.

Subd. 5. [DURATION.] The maximum duration of an order under this section is six months. The court may continue the order for a maximum of an additional 12 months if, after notice and hearing, under sections 253B.08 and 253B.09 the court finds that (1) the person continues to be mentally ill, and (2) an order is needed to protect the patient or others.

Subd. 6. [MODIFICATION OF ORDER.] An order under this section may be modified upon agreement of the parties and approval of the court.

Subd. 7. [REVOCATION OF ORDER.] The court, on its own motion or upon the petition of any person, and after notice and a hearing, may revoke any release and commit the proposed patient under this chapter.

Sec. 9. Minnesota Statutes 1986, section 253B.15, subdivision 1, is amended to read:

Subdivision 1. [PROVISIONAL DISCHARGE.] The head of the treatment facility may provisionally discharge any patient without discharging the commitment, unless the patient was found by the committing court to be mentally ill and dangerous to the public.

Each patient released on provisional discharge shall have an aftercare plan developed which specifies *the services and treatment to be provided as part of the aftercare plan, the financial resources available to pay for the services specified*, the expected period of provisional discharge, the precise goals for the granting of a final discharge, and conditions or restrictions on the patient during the period of the provisional discharge.

The aftercare plan shall be reviewed on a quarterly basis by the patient, designated agency and other appropriate persons. The aftercare plan shall contain the grounds upon which a provisional discharge may be revoked. The provisional discharge shall terminate on the date specified in the plan unless specific action is taken to revoke or extend it.

Sec. 10. Minnesota Statutes 1986, section 253B.15, is amended by adding a subdivision to read:

Subd. 1a. [CASE MANAGER.] Before a provisional discharge is granted, a representative of the designated agency must be identified as the case manager. The case manager shall ensure continuity of care by being involved with the treatment facility and the patient prior to the provisional discharge. The case manager shall coordinate plans for and monitor the patient's aftercare program.

Sec. 11. Minnesota Statutes 1986, section 253B.15, subdivision 3, is amended to read:

Subd. 3. [PROCEDURE; NOTICE.] When the possibility of revocation becomes apparent, the designated agency shall notify the patient, the patient's attorney, and all participants in the plan, and every effort shall be made to prevent revocation.

Revocation shall be commenced by a notice of intent to revoke provisional discharge, which shall be served upon the patient, the patient's attorney, and the designated agency. The notice shall set forth the grounds upon which the intention to revoke is based, and shall inform the patient of the rights of a patient under this chapter.

Sec. 12. Minnesota Statutes 1986, section 253B.15, subdivision 5, is amended to read:

Subd. 5. [RETURN TO FACILITY.] The head of the treatment facility case manager may apply to the committing court for an order directing that the patient be returned to the facility. The court may order the patient returned to the facility prior to a review hearing only upon finding that immediate return to the facility is necessary to avoid serious, imminent harm to the patient or others. If a voluntary return is not arranged, the head of the treatment facility may request a health officer, a welfare officer, or a peace officer to return the patient to the treatment facility from which the patient was released or to any other treatment facility which consents to receive the patient. If necessary, the head of the treatment facility may request the committing court to direct a health or peace officer in the county where the patient is located to return the patient to the treatment facility or to another treatment facility which consents to receive the patient. The expense of returning the patient to a treatment facility shall be paid

by the commissioner unless paid by the patient or the patient's relatives.

Sec. 13. Minnesota Statutes 1986, section 253B.15, subdivision 6, is amended to read:

Subd. 6. [EXCEPTION.] During the first 60 days of a provisional discharge, the ~~head of the treatment facility~~ *case manager*, upon finding that either of the conditions set forth in subdivision 2 exists, may revoke the provisional discharge without being subject to the provisions of subdivisions 2 to 5.

Sec. 14. Minnesota Statutes 1986, section 253B.15, subdivision 7, is amended to read:

Subd. 7. [MODIFICATION AND EXTENSION OF PROVISIONAL DISCHARGE.] (a) *A provisional discharge may be modified upon agreement of the parties.*

(b) *A provisional discharge may be extended only in those circumstances where the patient has not achieved the goals set forth in the provisional discharge plan or continues to need the supervision or assistance provided by an extension of the provisional discharge. In determining whether the provisional discharge is to be extended, the head of the facility shall consider the willingness and ability of the patient to voluntarily obtain needed care and treatment.*

(b)(c) *The designated agency shall recommend extension of a provisional discharge only after a preliminary conference with the patient and other appropriate persons. The patient shall be given the opportunity to object or make suggestions for alternatives to extension.*

(e)(d) *Any recommendation for extension shall be made in writing to the head of the facility and to the patient at least 30 days prior to the expiration of the provisional discharge. The written recommendation submitted shall include: the specific grounds for recommending the extension, the date of the preliminary conference and results, the anniversary date of the provisional discharge, the termination date of the provisional discharge, and the proposed length of extension. If the grounds for recommending the extension occur less than 30 days before its expiration, the written recommendation shall occur as soon as practicable.*

(d)(e) *The head of the facility shall issue a written decision regarding extension within five days after receiving the recommendation from the designated agency.*

Sec. 15. Minnesota Statutes 1986, section 253B.16, subdivision 1, is amended to read:

Subdivision 1. [DATE.] *The head of a treatment facility shall discharge any patient admitted as mentally ill, ~~mentally retarded~~ or chemically dependent when certified by the head of the facility to be no longer in need of institutional care and treatment or at the conclusion of any period of time specified in the commitment order, whichever occurs first. *The head of a treatment facility shall discharge any person admitted as mentally retarded when that person's screening team has determined, under section 256B.092, subdivision 8, that the person's needs can be met by services provided in the community and a plan has been developed in consultation with the interdisciplinary team to place the person in the available community services.**

Sec. 16. [REPEALER.]

Minnesota Statutes 1986, section 253B.09, subdivision 4, is repealed.

Sec. 17. [EFFECTIVE DATE.]

This act is effective January 1, 1989."

Delete the title and insert:

"A bill for an act relating to human services; defining terms; requiring that court receive annual reviews of people with indeterminate commitments; providing for court-ordered community-based treatment; defining procedures for community-based commitment; requiring procedures for release before commitment and provisional discharge; amending Minnesota Statutes 1986, sections 253B.02, subdivisions 13, 19, and by adding subdivisions; 253B.03, subdivision 5; 253B.09, subdivision 1; 253B.15, subdivisions 1, 3, 5, 6, 7, and by adding a subdivision; and 253B.16, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 253B; repealing Minnesota Statutes 1986, section 253B.09, subdivision 4."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 2122: A bill for an act relating to the collection and dissemination of data; proposing classifications of data as private and nonpublic; amending Minnesota Statutes 1986, sections 13.04, subdivision 4; 138.17, by adding a subdivision; and 473.843, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 13.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 13.04, subdivision 4, is amended to read:

Subd. 4. [PROCEDURE WHEN DATA IS NOT ACCURATE OR COMPLETE.] (a) An individual subject of the data may contest the accuracy or completeness of public or private data. To exercise this right, an individual shall notify in writing the responsible authority describing the nature of the disagreement. The responsible authority shall within 30 days either: ~~(a)~~ (1) correct the data found to be inaccurate or incomplete and attempt to notify past recipients of inaccurate or incomplete data, including recipients named by the individual; or ~~(b)~~ (2) notify the individual that the authority believes the data to be correct. Data in dispute shall be disclosed only if the individual's statement of disagreement is included with the disclosed data.

The determination of the responsible authority may be appealed pursuant to the provisions of the administrative procedure act relating to contested cases. *Upon receipt of an appeal by an individual, the commissioner shall, before issuing the order and notice of a contested case hearing required by chapter 14, try to resolve the dispute through education, conference, conciliation or persuasion. If the parties consent, the commissioner may refer the matter to mediation. Following these efforts, the commissioner shall dismiss the appeal or issue the order and notice of hearing.*

(b) *Data on individuals that have been successfully challenged by an individual must be altered, modified, or destroyed by a state agency, political subdivision, or statewide system without regard to the requirements of section 138.17.*

After altering, modifying, or destroying successfully challenged data, a state agency, political subdivision, or statewide system may retain a copy of the commissioner of administration's order issued under chapter 14 or, if no order was issued, a summary of the dispute between the parties.

Sec. 2. Minnesota Statutes 1986, section 13.67, is amended to read:

13.67 [EMPLOYEE RELATIONS DATA.]

The following data collected, created, or maintained by the department of employee relations are classified as nonpublic data pursuant to section 13.02, subdivision 9:

(a) The commissioner's plan prepared by the department, pursuant to section 3.855, which governs the compensation and terms and conditions of employment for employees not covered by collective bargaining agreements until the plan is submitted to the legislative commission on employee relations;

(b) Data pertaining to grievance or interest arbitration that has not been presented to the arbitrator or other party during the arbitration process;

(c) Notes and preliminary drafts of reports prepared during personnel investigations and personnel management reviews of state departments and agencies; ~~and~~

(d) The managerial plan prepared by the department pursuant to section 43A.18 that governs the compensation and terms and conditions of employment for employees in managerial positions, as specified in section 43A.18, subdivision 3, and for employees in the career executive service pursuant to section 43A.18, subdivision 3, clause (c), until the plan is submitted to the legislative commission on employee relations; *and*

(e) *Claims experience and all related information received from carriers and claims administrators participating in either the state group insurance plan or the public employees insurance plan as defined in chapter 43A, and survey information collected from employees and employers participating in these plans, except when the department determines that release of the data will not be detrimental to the plan.*

Sec. 3. Minnesota Statutes 1986, section 13.791, subdivision 1, is amended to read:

Subdivision 1. [GENERAL.] ~~Unless the data is summary data or is otherwise classified by statute or federal law, all~~ Data collected and maintained by the department of jobs and training that pertain to individuals applying for or receiving rehabilitation services ~~is~~ *are* private data on individuals, *except the name, business address, and business telephone number of individuals licensed under section 248.07, subdivision 8.*

Sec. 4. [13.792] [MINNESOTA ZOOLOGICAL GARDEN DATA.]

The following data maintained by the Minnesota zoological garden are classified as private or nonpublic:

(1) *research information about prospects and donors gathered to aid in determining appropriateness of solicitation and level of gift request;*

(2) *specific data in prospect lists that would identify prospects to be solicited, dollar amounts to be requested, and name of solicitor;*

(3) *portions of solicitation letters and proposals that identify the prospect being solicited and the dollar amount being requested;*

(4) *letters, pledge cards, and other responses received from prospective donors in response to solicitations;*

(5) *portions of thank-you letters and other gift acknowledgment communications that would identify the name of the donor and the specific amount of the gift, pledge, or pledge payment; and*

(6) *data detailing dates of gifts and specific gift amounts made by donors to the Minnesota zoo, except that the zoo may publish names of donors and gift ranges.*

Sec. 5. Minnesota Statutes 1986, section 144.335, subdivision 2, is amended to read:

Subd. 2. [PATIENT ACCESS.] (a) Upon request, a provider shall supply to a patient complete and current information possessed by that provider concerning any diagnosis, treatment and prognosis of the patient in terms and language the patient can reasonably be expected to understand.

(b) Upon a patient's written request, a provider, at a reasonable cost to the patient, shall furnish to the patient (1) copies of the patient's health record, including but not limited to laboratory reports, X-rays, prescriptions, and other technical information used in assessing the patient's health condition, or (2) the pertinent portion of the record relating to a ~~specific~~ condition, ~~or (3) specified by the patient.~~ *With the consent of the patient, the provider may instead furnish only a summary of the record. The provider may exclude from the health record written speculations and impressions about the patient's health condition.*

(c) If a provider, as defined in subdivision 1, clause (b) (1), reasonably determines that the information is detrimental to the physical or mental health of the patient, or is likely to cause the patient to inflict self harm, or to harm another, the provider may withhold the information from the patient and may supply the information to an appropriate third party or to another provider, as defined in subdivision 1, clause (b)(1). The other provider or third party may release the information to the patient.

(d) A provider as defined in subdivision 1, clause (b)(2), shall release information upon written request unless, prior to the request, a provider as defined in subdivision 1, clause (b)(1), has designated and described a specific basis for withholding the information as authorized by paragraph (c).

Sec. 6. Minnesota Statutes 1986, section 171.12, is amended by adding a subdivision to read:

Subd. 3a. [RECORD DESTROYED WHEN REVOCATION OR SUSPENSION RESCINDED.] Notwithstanding subdivision 3 or section 138.163, when an order for revocation or suspension of a driver's license is rescinded, the commissioner shall destroy all records of the revocation or suspension.

Sec. 7. [221.0315] [INVESTIGATIVE DATA PROVIDED.]

The commissioner may provide to the board investigative data about a petitioner or carrier that is subject to the jurisdiction of the board. When

the data are transferred to the board, the commissioner shall notify the petitioner or carrier in writing that the data are being provided to the board.

Sec. 8. Minnesota Statutes 1986, section 363.061, is amended by adding a subdivision to read:

Subd. 4. [CHARGING PARTY ACCESS.] Data comprised of materials and documentation provided by a charging party that is part of an open or closed case file is accessible to the charging party in accordance with section 13.04, subdivision 3. The charging party may consent to the release of the data to the charging party's attorney or other legal representative.

Sec. 9. [REPEALER.]

Minnesota Statutes 1986, section 13.72, subdivision 3, is repealed."

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "providing for patient access to medical records;"

Page 1, delete lines 5 to 7 and insert "13.04, subdivision 4; 13.67; 13.791, subdivision 1; 144.335, subdivision 2; 171.12, by adding a subdivision; and 363.061, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 13 and 221; repealing Minnesota Statutes 1986, section 13.72, subdivision 3."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was re-referred

S.F. No. 2506: A bill for an act relating to child support; authorizing parties to waive automatic income withholding when there is a child support or maintenance order; providing that a court shall stay service of an automatic withholding order if an obligor establishes an escrow account for payment of child support or maintenance; amending Minnesota Statutes 1987 Supplement, section 518.613, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 518.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

H.F. No. 1767: A bill for an act relating to commerce; real property; requiring notice of foreclosure by advertisement to separately list record owners with no legally protected interest in the real estate; proposing coding for new law in Minnesota Statutes, chapter 580.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 1788: A bill for an act relating to the office of the secretary of state; providing for the simplification of various filings with that office; eliminating certain filings; eliminating the requirement that documents be notarized, verified, or acknowledged; reducing the number of signatures

required; setting fees for copies of documents filed with the office of the secretary of state; permitting the correction of documents; setting fees for various filings; allowing the annual registration to fulfill the requirement that an active status report be filed; conforming the business corporation act to the uniform fraudulent conveyances act; increasing the penalties for failure to file an assumed business name; changing the time period during which audits of legal newspapers may occur; amending Minnesota Statutes 1986, sections 5.12; 300.025; 300.49; 302A.115, subdivisions 1 and 7; 302A.551, subdivision 3; 302A.821, subdivision 1; 303.06; 303.10, subdivision 2; 303.11; 303.14, subdivisions 1 and 3; 303.16, subdivision 3; and by adding a subdivision; 306.70; 306.74; 308.06; 308.14, subdivisions 2 and 4; 308.15, subdivisions 1 and 4; 308.59; 317.04, subdivision 3; 317.08, subdivision 1; 317.27, subdivisions 1 and 5; 317.33; 317.35; 317.45, subdivision 4; 318.02, subdivision 1; 322A.12; 322A.14; 322A.73; 322A.74; 333.01; 333.055, subdivision 4; 333.06; 333.20, subdivision 2; 333.22, subdivision 2; 333.23; Minnesota Statutes 1987 Supplement, sections 302A.011, subdivision 11; 302A.139; 302A.615, subdivision 1; 308.58, subdivision 2; 322A.70; and 331A.02, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 5.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 11, delete "ACKNOWLEDGEMENT" and insert "ACKNOWLEDGMENT"

Page 2, line 15, delete "*Notwithstanding any requirement of Minnesota Statutes,*"

Page 5, line 13, delete "\$35" and insert "\$25"

Page 10, line 21, after the semicolon, insert "and"

Page 10, line 31, after "file" insert "*either (a)*"

Page 10, line 34, after the comma, insert "*or (b) with the secretary of state,*"

Page 29, line 3, strike the first "partner"

Page 29, line 4, before the semicolon, insert "*partners*"

Page 32, after line 30, insert:

"Sec. 44. Minnesota Statutes 1986, section 333.055, subdivision 1, is amended to read:

Subdivision 1. Filing of a certificate hereunder shall be effective for a term of ten years from the date of filing and upon application filed within the six month period prior to the expiration of such term or a renewal thereof, on a form prescribed by the secretary of state, the certificate may be renewed for additional ten year terms. A renewal fee as specified herein, payable to the secretary of state, shall accompany the application for renewal.

The secretary of state shall notify each ~~person~~ *filing business* holding a certificate hereunder of the necessity of renewal thereof by writing to the last known address of the ~~person~~ *business* at least six months prior to the certificate's expiration date."

ReNUMBER the sections in sequence

Amend the title as follows:

Page 1, line 28, delete the first "subdivision" and insert "subdivisions 1 and"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 1540: A bill for an act relating to the sentencing guidelines commission; changing the membership of the commission; amending Minnesota Statutes 1986, section 244.09, subdivision 2.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1987 Supplement, section 244.09, subdivision 2, is amended to read:

Subd. 2. The sentencing guidelines commission shall consist of the following:

- (1) The chief justice of the supreme court or a designee;
- (2) One judge of the court of appeals, appointed by the chief justice of the supreme court;
- (3) ~~Two~~ *One* district court ~~judges~~ *judge* appointed by the chief justice of the supreme court;
- (4) One public defender appointed by the governor upon recommendation of the state public defender;
- (5) One county attorney appointed by the governor upon recommendation of the board of governors of the county attorneys council;
- (6) The commissioner of corrections or a designee;
- (7) One peace officer as defined in section 626.84 appointed by the governor;
- (8) One probation officer or parole officer appointed by the governor; and
- (9) ~~Two~~ *Three* public members appointed by the governor, one of whom shall be a victim of a crime defined as a felony.

When an appointing authority selects individuals for membership on the commission, the authority shall make reasonable efforts to appoint qualified members of protected groups, as defined in section 43A.02, subdivision 33.

One of the members shall be designated by the governor as chair of the commission.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective upon the expiration of either the current term of office or the appointment to the commission of a district judge appointed under section 244.09, subdivision 2, clause (3), whichever is earlier."

Amend the title as follows:

Page 1, line 4, delete "1986" and insert "1987 Supplement"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 2125: A bill for an act relating to sentencing; directing the sentencing guidelines commission to study certain sentencing issues; requiring the commission to report back to the legislature with proposed changes to respond to these issues; proposing coding for new law in Minnesota Statutes, chapter 244.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 10, delete "[244.12]"

Page 1, line 12, after "The" insert "*sentencing guidelines*"

Page 1, delete lines 24 to 26 and insert:

"(1) should criteria and procedures be developed to limit the length of aggravated durational departures from presumptive sentences;"

Amend the title as follows:

Page 1, delete lines 6 and 7 and insert "issues."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 2071: A bill for an act relating to crimes; requiring a neighborhood impact statement to be submitted as part of the presentence investigation report for controlled substance offenses; amending Minnesota Statutes 1986, section 609.115, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1987 Supplement, section 609.115, subdivision 1, is amended to read:

Subdivision 1. [PRESENTENCE INVESTIGATION.] When a defendant has been convicted of a misdemeanor or gross misdemeanor, the court may, and when the defendant has been convicted of a felony, the court shall, before sentence is imposed, cause a presentence investigation and written report to be made to the court concerning the defendant's individual characteristics, circumstances, needs, potentialities, criminal record and social history, the circumstances of the offense and the harm caused by it to others and to the community. *When the crime is a felony violation of chapter 152 involving the sale or distribution of a controlled substance, the report shall include a description of any adverse social or economic effects the offense has had on persons who reside in the neighborhood where the offense was committed.*

The report shall also include the information relating to crime victims required under section 611A.037, subdivision 1. If the court directs, the report shall include an estimate of the prospects of the defendant's rehabilitation and recommendations as to the sentence which should be imposed.

In misdemeanor cases the report may be oral.

When a defendant has been convicted of a felony, and before sentencing, the court shall cause a sentencing worksheet to be completed to facilitate the application of the Minnesota sentencing guidelines. The worksheet shall be submitted as part of the presentence investigation report.

The investigation shall be made by a probation officer of the court, if there is one, otherwise by the commissioner of corrections. The officer conducting the presentence or predispositional investigation shall make reasonable and good faith efforts to contact the victim of that crime and to provide that victim with the information required under section 611A.037, subdivision 2.

Pending the presentence investigation and report, the court with the consent of the commissioner may commit the defendant to the custody of the commissioner of corrections who shall return the defendant to the court when the court so orders.

Presentence investigations shall be conducted and summary hearings held upon reports and upon the sentence to be imposed upon the defendant in accordance with this section, section 244.10, and the rules of criminal procedure.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective August 1, 1988, and applies to crimes committed on or after that date.

Amend the title as follows:

Page 1, line 5, delete "1986" and insert "1987 Supplement"

Page 1, line 6, delete everything after the comma and insert "subdivision 1."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 1727: A bill for an act relating to government data practices; defining employment and training data as private data on individuals; defining employment and training service providers; defining employment and training services; providing for the dissemination of employment and training data; amending Minnesota Statutes 1987 Supplement, section 13.43, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 13.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1987 Supplement, section 13.43, subdivision 1, is amended to read:

Subdivision 1. [DEFINITION.] As used in this section, "personnel data" means data on individuals collected because the individual is or was an employee of or an applicant for employment by, performs services on a voluntary basis for, or acts as an independent contractor with a state agency, statewide system or political subdivision or is a member of an advisory

board or commission. ~~“Personnel data” includes data on individuals who apply for or are enrolled in employment and training programs funded with federal, state, or local resources unless the data are welfare data under section 13.46.~~

Sec. 2. [13.47] [EMPLOYMENT AND TRAINING DATA.]

Subdivision 1. [DEFINITION.] (a) “Employment and training data” means data on individuals collected, maintained, used, or disseminated because an individual applies for, is currently enrolled in, or has been enrolled in employment and training programs funded with federal, state, or local resources.

(b) “Employment and training service provider” means an administrative entity certified by the commissioner of jobs and training to deliver employment and training services under section 268.0122, subdivision 3, or an organization that contracts with a certified administrative entity or the department of jobs and training to deliver employment and training services.

Subd. 2. [CLASSIFICATION.] Employment and training data are private data on individuals.

Subd. 3. [DISSEMINATION.] Employment and training data may be disseminated:

(a) to other employment and training service providers to coordinate the employment and training services for the data subject or to determine eligibility or suitability for services from other programs;

(b) to local and state welfare agencies for monitoring the eligibility of the participant for assistance programs, or for any employment or training program administered by those agencies.

Sec. 3. Minnesota Statutes 1986, section 13.46, subdivision 2, is amended to read:

Subd. 2. [GENERAL.] (a) Unless the data is summary data or a statute specifically provides a different classification, data on individuals collected, maintained, used, or disseminated by the welfare system is private data on individuals, and shall not be disclosed except:

- (1) pursuant to section 13.05;
- (2) pursuant to court order;
- (3) pursuant to a statute specifically authorizing access to the private data;
- (4) to an agent of the welfare system, including a law enforcement person, attorney, or investigator acting for it in the investigation, prosecution, criminal or civil proceeding relating to the administration of a program;
- (5) to personnel of the welfare system who require the data to determine eligibility, amount of assistance, and the need to provide services of additional programs to the individual;
- (6) to administer federal funds or programs;
- (7) between personnel of the welfare system working in the same program;
- (8) the amounts of cash public assistance and relief paid to welfare recipients in this state, including their names and social security numbers,

upon request by the department of revenue to administer the property tax refund law, supplemental housing allowance, and the income tax;

(9) to the Minnesota department of jobs and training for the purpose of monitoring the eligibility of the data subject for unemployment compensation, for any employment or training program administered, *supervised, or certified* by that agency, or for the purpose of administering any rehabilitation program, whether alone or in conjunction with the welfare system;

(10) to appropriate parties in connection with an emergency if knowledge of the information is necessary to protect the health or safety of the individual or other individuals or persons; or

(11) data maintained by residential facilities as defined in section 245.782, subdivision 6, may be disclosed to the protection and advocacy system established in this state pursuant to Part C of Public Law Number 98-527 to protect the legal and human rights of persons with mental retardation or other related conditions who live in residential facilities for these persons if the protection and advocacy system receives a complaint by or on behalf of that person and the person does not have a legal guardian or the state or a designee of the state is the legal guardian of the person.

(b) Mental health data shall be treated as provided in subdivisions 7, 8, and 9, but is not subject to the access provisions of subdivision 10, paragraph (b).

Sec. 4. [EFFECTIVE DATE.]

Sections 1 to 3 are effective June 1, 1988."

Delete the title and insert:

"A bill for an act relating to government data practices; defining employment and training data as private data on individuals; providing for the dissemination of certain data; amending Minnesota Statutes 1986, section 13.46, subdivision 2; Minnesota Statutes 1987 Supplement, section 13.43, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 13."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 2207: A bill for an act relating to marriage dissolution; providing for parties to a dissolution to disclose assets and liabilities; requiring the supreme court to prepare forms for disclosure; providing sanctions for misrepresentations or omissions or failure to file any disclosure; proposing coding for new law in Minnesota Statutes, chapter 518.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 27, delete everything after the period

Page 2, delete line 1

Page 2, line 2, delete everything before "return"

Page 2, lines 4, 6, 25, 26, and 33, delete "shall" and insert "must"

Page 2, lines 8 and 25, delete "pursuant to" and insert "under"

Page 2, line 9, after the period, insert "*The completed disclosure form need not be filed with the court.*"

Page 2, line 11, before the comma, insert "*as required under subdivision 1*"

Page 2, line 15, delete the second comma and insert "*or*"

Page 2, line 16, delete "*, or the division of marital property*"

Page 2, line 19, delete "*which*" and insert "*that*"

Page 2, line 21, after "*court*" insert a comma and delete the colon

Page 2, delete line 22

Page 2, line 23, delete the paragraph coding and delete "(2)"

Page 3, line 1, delete "*shall*" and insert "*must*"

Page 3, after line 6, insert:

"Sec. 2. [518.146] [SEALING RECORDS.]

For good cause shown, on application of either party, the records of a marriage dissolution, annulment, or legal separation, except for the portion of the decree granting the dissolution, annulment, or legal separation, may be sealed."

Page 3, line 8, delete everything after "*effective*"

Page 3, line 9, delete everything before "*for*" and insert "*March 1, 1989,*"

Page 3, line 13, delete everything after "*by*" and insert "*December 31, 1988.*"

Page 3, delete line 14

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, after the semicolon, insert "*allowing the court to seal records;*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 2139: A bill for an act relating to establishment of rates for intermediate care facilities for the mentally retarded (ICF/MR); changing the procedures for determining ICF/MR rates beginning in 1988; amending Minnesota Statutes 1986, section 256B.501, by adding subdivisions.

Reports the same back with the recommendation that the bill be amended as follows:

Page 4, lines 4 and 22, delete "*1989*" and insert "*1988*"

Page 4, line 32, after the comma, insert "*and the maintenance operating cost limit in Minnesota Rules, part 9553.0050, subpart 1, item A, subitem (2),*"

Page 4, line 33, after "limit" insert "*and the maintenance operating cost limit*"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 2081: A bill for an act relating to health; authorizing the public facilities authority to make health care planning grants and capital equipment loans available to small hospitals; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 446A.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, delete section 1

Page 2, line 5, after the period, insert "*A small hospital that applies for a grant must include in its application a description of its geographic service area in terms of standard political subdivisions. If another hospital is located within the geographic service area of the hospital or within 40 miles of the hospital, the applicant hospital must consult with the other hospital or hospitals in preparing a grant application and the application must either be a joint application from the hospitals or include a statement from each of the other hospitals that states that the hospital was consulted concerning the preparation of the application and that it will not submit a separate grant application on its own behalf.*"

Page 3, line 16, delete "2" and insert "1"

Renumber the sections in sequence

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 2159: A bill for an act relating to human services; affecting the demonstration project for uninsured low-income persons; adding Crow Wing county to the demonstration project geographic area; allowing additional demonstration projects; appropriating money; amending Minnesota Statutes 1987 Supplement, section 256B.73, subdivision 2, and by adding a subdivision; repealing Minnesota Statutes 1987 Supplement, section 256B.73, subdivision 10.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 16, after "shall" insert "*cooperate with local coalitions to*"

Page 2, after line 5, insert:

"Sec. 3. Laws 1987, chapter 337, section 131, is amended to read:

Sec. 131. [REPEALER.]

Minnesota Statutes 1986, sections 62A.12; and 67A.43, subdivision 3, are repealed.

Minnesota Rules, parts 2700.2400; 2700.2410; 2700.2420; 2700.2430; and 2700.2440, are repealed.

~~Section 123 is repealed effective July 1, 1988, if the project implementation phase has not begun by that date.~~

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 8, after the semicolon, insert "and Laws 1987, chapter 337, section 131;"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

H.F. No. 421: A bill for an act relating to health; authorizing the commissioner of health to issue subpoenas in certain instances; proposing coding for new law in Minnesota Statutes, chapter 144.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [144.054] [SUBPOENA POWER.]

The commissioner may, as part of an investigation to determine whether a serious health threat exists or to locate persons who may have been exposed to an agent which can seriously affect their health, issue subpoenas to require the attendance and testimony of witnesses and production of books, records, correspondence, and other information relevant to any matter involved in the investigation. The commissioner or the commissioner's designee may administer oaths to witnesses or take their affirmation. The subpoenas may be served upon any person named therein anywhere in the state by any person authorized to serve subpoenas or other processes in civil actions of the district courts. If a person to whom a subpoena is issued does not comply with the subpoena, the commissioner may apply to the district court in any district and the court shall order the person to comply with the subpoena. Failure to obey the order of the court may be punished by the court as contempt of court. No person may be compelled to disclose privileged information as described in section 595.02, subdivision 1. The fees for the service of a subpoena must be paid in the same manner as prescribed by law for a service of process issued out of a district court. Witnesses must receive the same fees and mileage as in civil actions.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 1635: A bill for an act relating to human services; providing for swing bed payments under medical assistance in certain circumstances; amending Minnesota Statutes 1987 Supplement, section 256B.02, subdivision 8.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, lines 8 to 10, delete the new language and insert “, unless:

(a) the facility in which the swing bed is located is eligible as a sole community provider, as defined in Code of Federal Regulations, title 42, section 412.92, or the facility is a public hospital owned by a governmental entity with 15 or fewer licensed acute-care beds;

(b) the health care financing administration approves the necessary state plan amendments;

(c) the patient was screened as provided in section 256B.091;

(d) the patient no longer requires acute-care services;

(e) no nursing home beds are available within 25 miles of the facility; and

(f) the daily medical assistance payment for nursing care for the patient in the swing bed is the statewide average medical assistance skilled nursing care per diem as computed annually by the commissioner of human services on July 1 of each year”

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 2275: A bill for an act relating to juveniles; eliminating statutory references to “dependency” and “neglect” and substituting the term “child in need of protection or services”; eliminating juvenile court jurisdiction over children who are “habitually disobedient”; transferring alleged truants and runaways to the court’s protective services jurisdiction; transferring certain young alleged delinquents to the court’s protective services jurisdiction; limiting the duration of the court’s continuing jurisdiction over truants; permitting the juvenile court to declare mature minors completely or partially emancipated; limiting the juvenile court’s contempt authority over nondelinquents; amending Minnesota Statutes 1986, sections 242.19, subdivision 2; 260.011, subdivision 2; 260.015, subdivision 21, and by adding a subdivision; 260.103, subdivision 1; 260.111; 260.121, subdivisions 1 and 2; 260.131, subdivision 1; 260.132, subdivisions 1 and 3; 260.133, subdivision 2; 260.135, subdivisions 1 and 3; 260.155, subdivisions 1, 4, and 4a; 260.156; 260.171, subdivision 4; 260.173, subdivision 3; 260.181, subdivision 4; 260.191, subdivisions 1 and 4; 260.194; 260.221; 260.235; 260.255; 260.291, subdivisions 1 and 4; 260.301; 260.315; 260.35; 260.36; and 484.73, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 260; repealing Minnesota Statutes 1986, section 260.015, subdivisions 6 and 10.

Reports the same back with the recommendation that the bill be amended

as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1986, section 242.19, subdivision 2, is amended to read:

Subd. 2. [DISPOSITIONS.] When a child has been committed to the commissioner of corrections by a juvenile court, upon a finding of delinquency, the commissioner may for the purposes of treatment and rehabilitation:

(a) order the child's confinement to the Minnesota correctional facility-Red Wing or the Minnesota correctional facility-Sauk Centre, which shall accept the child, or to a group foster home under the control of the commissioner of corrections, or to private facilities or facilities established by law or incorporated under the laws of this state that may care for delinquent children;

(b) order the child's release on parole under such supervisions and conditions as the commissioner believes conducive to law-abiding conduct, treatment and rehabilitation;

(c) order reconfinement or renewed parole as often as the commissioner believes to be desirable;

(d) revoke or modify any order, except an order of discharge, as often as the commissioner believes to be desirable;

(e) discharge the child when the commissioner is satisfied that the child has been rehabilitated and that such discharge is consistent with the protection of the public;

(f) if the commissioner finds that the child is eligible for probation or parole and it appears from the commissioner's investigation that conditions in the child's or the guardian's home are not conducive to the child's treatment, rehabilitation, or law-abiding conduct, refer the child, together with the commissioner's findings, to a county welfare board or a licensed child placing agency for placement in a foster care or, when appropriate, for initiation of ~~dependency or neglect~~ *child in need of protection or services* proceedings as provided in sections 260.011 to 260.301. The commissioner of corrections shall reimburse county welfare boards for foster care costs they incur for the child while on probation or parole to the extent that funds for this purpose are made available to the commissioner by the legislature. The juvenile court shall order the parents of a child on probation or parole to pay the costs of foster care under section 260.251, subdivision 1, according to their ability to pay, and to the extent that the commissioner of corrections has not reimbursed the county welfare board.

Sec. 2. Minnesota Statutes 1986, section 260.011, subdivision 2, is amended to read:

Subd. 2. The purpose of the laws relating to juvenile courts is to secure for each child alleged or adjudicated ~~neglected or dependent~~ *in need of protection or services* and under the jurisdiction of the court, the care and guidance, preferably in the child's own home, as will serve the spiritual, emotional, mental, and physical welfare of the child and the best interests of the state; to provide judicial procedures which protect the welfare of the child; to preserve and strengthen the child's family ties whenever possible, removing the child from the custody of parents only when the child's welfare or safety cannot be adequately safeguarded without removal; and, when

removal from the child's own family is necessary, to secure for the child custody, care and discipline as nearly as possible equivalent to that which should have been given by the parents.

The purpose of the laws relating to children alleged or adjudicated to be delinquent is to promote the public safety and reduce juvenile delinquency by maintaining the integrity of the substantive law prohibiting certain behavior and by developing individual responsibility for lawful behavior. This purpose should be pursued through means that are fair and just, that recognize the unique characteristics and needs of children, and that give children access to opportunities for personal and social growth.

The laws relating to juvenile courts shall be liberally construed to carry out these purposes.

Sec. 3. Minnesota Statutes 1986, section 260.015, is amended by adding a subdivision to read:

Subd. 2a. [CHILD IN NEED OF PROTECTION OR SERVICES.] "Child in need of protection or services" means a child who is in need of protection or services because the child:

- (1) is abandoned or without parent, guardian, or custodian;*
- (2) has been a victim of physical or sexual abuse or resides with a victim of domestic child abuse as defined in subdivision 24;*
- (3) is without necessary food, clothing, shelter, education, or other required care for the child's physical or mental health or morals because the child's parent, guardian, or custodian is unable or unwilling to provide that care;*
- (4) is without the special care made necessary by a physical, mental, or emotional condition because the child's parent, guardian, or custodian is unable or unwilling to provide that care;*
- (5) is medically neglected, which includes, but is not limited to, the withholding of medically indicated treatment from a disabled infant with a life-threatening condition. The term "withholding of medically indicated treatment" means the failure to respond to the infant's life-threatening conditions by providing treatment, including appropriate nutrition, hydration, and medication which, in the treating physician's or physicians' reasonable medical judgment, will be most likely to be effective in ameliorating or correcting all conditions, except that the term does not include the failure to provide treatment other than appropriate nutrition, hydration, or medication to an infant when, in the treating physician's or physicians' reasonable medical judgment:
 - (i) the infant is chronically and irreversibly comatose;*
 - (ii) the provision of the treatment would merely prolong dying, not be effective in ameliorating or correcting all of the infant's life-threatening conditions, or otherwise be futile in terms of the survival of the infant; or*
 - (iii) the provision of the treatment would be virtually futile in terms of the survival of the infant and the treatment itself under the circumstances would be inhumane;**
- (6) is one whose parent, guardian, or other custodian for good cause desires to be relieved of the child's care and custody;*
- (7) has been placed for adoption or care in violation of law;*

(8) is without proper parental care because of the emotional, mental, or physical disability, or state of immaturity of the child's parent, guardian, or other custodian;

(9) is one whose occupation, behavior, condition, environment, or associations are such as to be injurious or dangerous to the child or others;

(10) has committed a delinquent act before becoming ten years old;

(11) is a runaway; or

(12) is an habitual truant.

Sec. 4. Minnesota Statutes 1986, section 260.015, subdivision 21, is amended to read:

Subd. 21. [JUVENILE PETTY OFFENDER; JUVENILE PETTY OFFENSE.] A "juvenile petty offense" includes a juvenile alcohol offense, a juvenile controlled substance offense, a violation of section 609.685, or a violation of a local ordinance, other than a juvenile alcohol or controlled substance offense, which by its terms prohibits conduct by a child under the age of 18 years which would be lawful conduct if committed by an adult or where a child is uncontrolled by a parent, guardian, or other custodian by reason of being wayward or habitually disobedient. A child who commits a juvenile petty offense is a "juvenile petty offender."

Sec. 5. Minnesota Statutes 1986, section 260.015, subdivision 22, is amended to read:

Subd. 22. [JUVENILE ALCOHOL OFFENDER OFFENSE.] "juvenile alcohol offender offense" means a child who violates violation by a child of any provision of section 340A.503 or an equivalent local ordinance.

Sec. 6. Minnesota Statutes 1986, section 260.015, subdivision 23, is amended to read:

Subd. 23. [JUVENILE CONTROLLED SUBSTANCE OFFENDER OFFENSE.] "juvenile controlled substance offender offense" means a child who violates violation by a child of section 152.09, subdivision 1, clause (2), with respect to a small amount of marijuana or an equivalent local ordinance.

Sec. 7. Minnesota Statutes 1986, section 260.111, subdivision 1, is amended to read:

Subdivision 1. [CHILDREN WHO ARE DELINQUENT, NEGLECTED, DEPENDENT IN NEED OF PROTECTION OR SERVICES, OR NEGLECTED AND IN FOSTER CARE.] Except as provided in sections 260.125 and 260.193, the juvenile court has original and exclusive jurisdiction in proceedings concerning any child who is alleged to be delinquent, a juvenile traffic offender, a juvenile petty offender, a habitual truant, a runaway, a juvenile alcohol or controlled substance offender, neglected in need of protection or services, or neglected and in foster care, or dependent, and in proceedings concerning any minor alleged to have been a delinquent, a juvenile petty offender, a habitual truant, a runaway, or a juvenile alcohol or controlled substance offender or a juvenile traffic offender prior to having become 18 years of age. The juvenile court shall deal with such a minor as it deals with any other child who is alleged to be delinquent or a juvenile traffic offender.

Sec. 8. Minnesota Statutes 1986, section 260.111, subdivision 3, is

amended to read:

Subd. 3. [JURISDICTION OVER MATTERS RELATING TO DOMESTIC CHILD ABUSE.] The juvenile court has jurisdiction in proceedings concerning any alleged acts of domestic child abuse. In a jurisdiction which utilizes referees in ~~dependency and neglect actions~~ *child in need of protection or services matters*, the court or judge may refer actions under this subdivision to a referee to take and report the evidence in the action. If the respondent does not appear after service is duly made and proved, the court may hear and determine the proceeding as a default matter. Proceedings under this subdivision shall be given docket priority by the court.

Sec. 9. Minnesota Statutes 1986, section 260.111, is amended by adding a subdivision to read:

Subd. 4. [JURISDICTION OVER PARENTS AND GUARDIANS.] *A parent, guardian, or custodian of a child who is subject to the jurisdiction of the court is also subject to the jurisdiction of the court in any matter in which that parent, guardian, or custodian has a right to notice under section 260.135 or 260.141, or the right to participate under section 260.155. In any proceeding concerning a child alleged to be in need of protection or services, the court has jurisdiction over a parent, guardian, or custodian for the purposes of a disposition order issued under section 28.*

Sec. 10. Minnesota Statutes 1986, section 260.121, subdivision 1, is amended to read:

Subdivision 1. [VENUE.] Except where otherwise provided, venue for any proceedings under section 260.111 shall be in the county where the child is found, or the county of the child's residence. When it is alleged that a child is ~~neglected in need of protection or services~~, venue may be in the county where the child is found, in the county of residence, or in the county where the alleged ~~neglect conditions causing the child's need for protection or services~~ occurred. If delinquency, ~~habitual truancy, running away~~, a juvenile petty offense, a ~~juvenile alcohol or controlled substance offense~~, or a juvenile traffic offense is alleged, proceedings shall be brought in the county of residence or the county where the alleged delinquency, ~~habitual truancy, running away~~, juvenile petty offense, ~~juvenile alcohol or controlled substance offense~~ or juvenile traffic offense occurred.

Sec. 11. Minnesota Statutes 1986, section 260.121, subdivision 2, is amended to read:

Subd. 2. [TRANSFER.] The judge of the juvenile court may transfer any proceedings brought under section 260.111, except adoptions, to the juvenile court of a county having venue as provided in subdivision 1, at any stage of the proceedings and in the following manner. When it appears that the best interests of the child, society, or the convenience of proceedings will be served by a transfer, the court may transfer the case to the juvenile court of the county of the child's residence. With the consent of the receiving court, the court may also transfer the case to the juvenile court of the county where the child is found or, if delinquency, ~~habitual truancy, running away~~, a juvenile petty offense, ~~juvenile alcohol or controlled substance offense~~ or a juvenile traffic offense is alleged, to the county where the alleged delinquency, ~~habitual truancy, running away~~, juvenile petty offense, ~~juvenile alcohol or controlled substance offense~~ or juvenile traffic offense occurred. The court transfers the case by ordering a continuance and by forwarding

to the court administrator of the appropriate juvenile court a certified copy of all papers filed, together with an order of transfer. The judge of the receiving court may accept the findings of the transferring court or may direct the filing of a new petition or notice under section 260.015, subdivision 23, or 260.132 and hear the case anew.

Sec. 12. Minnesota Statutes 1986, section 260.131, subdivision 1, is amended to read:

Subdivision 1. Any reputable person, including but not limited to any agent of the commissioner of human services, having knowledge of a child in this state or of a child who is a resident of this state, who appears to be delinquent, ~~neglected, dependent in need of protection or services,~~ or neglected and in foster care, may petition the juvenile court in the manner provided in this section.

Sec. 13. Minnesota Statutes 1986, section 260.132, subdivision 1, is amended to read:

Subdivision 1. [NOTICE.] When a peace officer, or attendance officer in the case of a habitual truant, has probable cause to believe that a child is a ~~runaway, a habitual truant in need of protection or services under section 3, clause (11) or (12),~~ or a juvenile petty offender, the officer may issue a notice to the child to appear in juvenile court in the county in which the child is found or in the county of the child's residence or, in the case of a juvenile petty offense, the county in which the offense was committed. The officer shall file a copy of the notice to appear with the juvenile court of the appropriate county. If a child fails to appear in response to the notice, the court may issue a summons notifying the child of the nature of the offense alleged and the time and place set for the hearing. If the peace officer finds it necessary to take the child into custody, sections 260.165 and 260.171 shall apply.

Sec. 14. Minnesota Statutes 1986, section 260.132, subdivision 3, is amended to read:

Subd. 3. [NOTICE TO PARENT.] Whenever a notice to appear or petition is filed alleging that a child is a ~~runaway, a habitual truant in need of protection or services under section 3, clause (11) or (12),~~ or a juvenile petty offender, the court shall summon and notify the person or persons having custody or control of the child of the nature of the offense alleged and the time and place of hearing. This summons and notice shall be served in the time and manner provided in section 260.135, subdivision 1.

Sec. 15. Minnesota Statutes 1986, section 260.133, subdivision 2, is amended to read:

Subd. 2. [TEMPORARY ORDER.] If it appears from the notarized petition or by sworn affidavit that there are reasonable grounds to believe the child is in immediate and present danger of domestic child abuse, the court may grant an ex parte temporary order for protection, pending a full hearing. The court may grant relief as it deems proper, including an order:

(1) restraining any party from committing acts of domestic child abuse;
or

(2) excluding the alleged abusing party from the dwelling which the family or household members share or from the residence of the child.

However, no order excluding the alleged abusing party from the dwelling

may be issued unless the court finds that:

(1) the order is in the best interests of the child or children remaining in the dwelling; and

(2) a remaining adult family or household member is able to care adequately for the child or children in the absence of the excluded party.

Before the temporary order is issued, the local welfare agency shall advise the court and the other parties who are present that appropriate social services will be provided to the family or household members during the effective period of the order.

An ex parte temporary order for protection shall be effective for a fixed period not to exceed 14 days. Within five days of the issuance of the temporary order, the petitioner shall file a ~~dependency and neglect~~ petition with the court pursuant to section 260.131, *alleging that the child is in need of protection or services* and the court shall give docket priority to the petition.

The court may renew the temporary order for protection one time for a fixed period not to exceed 14 days if a ~~dependency and neglect~~ petition *alleging that the child is in need of protection or services* has been filed with the court and if the court determines, upon informal review of the case file, that the renewal is appropriate.

Sec. 16. Minnesota Statutes 1986, section 260.135, subdivision 1, is amended to read:

Subdivision 1. After a petition has been filed and unless the parties hereinafter named voluntarily appear, the court shall set a time for a hearing and shall issue a summons requiring the person who has custody or control of the child to appear with the child before the court at a time and place stated. The summons shall have a copy of the petition attached, and shall advise the parties of the right to counsel and of the consequences of failure to obey the summons. The court shall give docket priority to any ~~dependency, neglect~~ *child in need of protection or services*, neglected and in foster care, or delinquency petition that contains allegations of child abuse over any other case except those delinquency matters where a child is being held in a secure detention facility. As used in this subdivision, "child abuse" has the meaning given it in section 630.36, subdivision 2.

Sec. 17. Minnesota Statutes 1986, section 260.135, subdivision 3, is amended to read:

Subd. 3. If a petition ~~alleging neglect, or dependency~~ *a child's need for protection or services*, or a petition to terminate parental rights is initiated by a person other than a representative of the department of human services or county welfare board, the court administrator shall notify the county welfare board of the pendency of the case and of the time and place appointed.

Sec. 18. Minnesota Statutes 1987 Supplement, section 260.155, subdivision 1, is amended to read:

Subdivision 1. [GENERAL.] Except for hearings arising under section 260.261, hearings on any matter shall be without a jury and may be conducted in an informal manner. The rules of evidence promulgated pursuant to section 480.0591 and the law of evidence shall apply in adjudicatory proceedings involving a child alleged to be delinquent, a ~~habitual truant,~~

a runaway in need of protection or services under section 3, clause (11) or (12), or a juvenile petty offender, or a juvenile alcohol or controlled substance offender, and hearings conducted pursuant to section 260.125 except to the extent that the rules themselves provide that they do not apply. Hearings may be continued or adjourned from time to time and, in the interim, the court may make any orders as it deems in the best interests of the minor in accordance with the provisions of sections 260.011 to 260.301. The court shall exclude the general public from these hearings and shall admit only those persons who, in the discretion of the court, have a direct interest in the case or in the work of the court; except that, the court shall open the hearings to the public in delinquency proceedings where the child is alleged to have committed an offense or has been proven to have committed an offense that would be a felony if committed by an adult and the child was at least 16 years of age at the time of the hearing offense. In all delinquency cases a person named in the charging clause of the petition as a person directly damaged in person or property shall be entitled, upon request, to be notified by the court administrator in writing, at the named person's last known address, of (1) the date of the reference or adjudicatory hearings, and (2) the disposition of the case. Adoption hearings shall be conducted in accordance with the provisions of laws relating to adoptions.

Sec. 19. Minnesota Statutes 1986, section 260.155, subdivision 4, is amended to read:

Subd. 4. [GUARDIAN AD LITEM.] (a) The court shall appoint a guardian ad litem to protect the interests of the minor when it appears, at any stage of the proceedings, that the minor is without a parent or guardian, or that the minor's parent is a minor or incompetent, or that the parent or guardian is indifferent or hostile to the minor's interests, and in every proceeding alleging neglect or dependency a child's need for protection or services under section 3, clauses (1) to (10). In any other case the court may appoint a guardian ad litem to protect the interests of the minor when the court feels that such an appointment is desirable. The court shall appoint the guardian ad litem on its own motion or in the manner provided for the appointment of a guardian ad litem in the district court.

(b) The court may waive the appointment of a guardian ad litem pursuant to clause (a), whenever counsel has been appointed pursuant to subdivision 2 or is retained otherwise, and the court is satisfied that the interests of the minor are protected.

(c) In appointing a guardian ad litem pursuant to clause (a), the court shall not appoint the party, or any agent or employee thereof, filing a petition pursuant to section 260.131.

Sec. 20. Minnesota Statutes 1986, section 260.155, subdivision 4a, is amended to read:

Subd. 4a. [EXAMINATION OF CHILD.] In any dependency, neglect, child in need of protection or services proceeding or neglected and in foster care proceeding the court may, on its own motion or the motion of any party, take the testimony of a child witness informally when it is in the child's best interests to do so. Informal procedures that may be used by the court include taking the testimony of a child witness outside the courtroom. The court may also require counsel for any party to the proceeding to submit questions to the court before the child's testimony is taken, and to submit additional questions to the court for the witness after questioning

has been completed. The court may excuse the presence of the child's parent, guardian, or custodian from the room where the child is questioned in accordance with subdivision 5.

Sec. 21. Minnesota Statutes 1987 Supplement, section 260.156, is amended to read:

260.156 [CERTAIN OUT-OF-COURT STATEMENTS ADMISSIBLE.]

An out-of-court statement made by a child under the age of ten years, or a child ten years of age or older who is mentally impaired, as defined under section 609.341, subdivision 6, alleging, explaining, denying, or describing any act of sexual contact or penetration performed with or on the child or any act of physical abuse or neglect of the child by another, not otherwise admissible by statute or rule of evidence, is admissible in evidence in any ~~dependency, neglect~~ *child in need of protection or services*, neglected and in foster care, or domestic child abuse proceeding or any proceeding for termination of parental rights if:

(a) the court finds that the time, content, and circumstances of the statement and the reliability of the person to whom the statement is made provide sufficient indicia of reliability; and

(b) the proponent of the statement notifies other parties of an intent to offer the statement and the particulars of the statement sufficiently in advance of the proceeding at which the proponent intends to offer the statement into evidence, to provide the parties with a fair opportunity to meet the statement.

For purposes of this section, an out-of-court statement includes a video, audio, or other recorded statement.

Sec. 22. Minnesota Statutes 1986, section 260.171, subdivision 1, is amended to read:

Subdivision 1. If a child is taken into custody as provided in section 260.165, the parent, guardian, or custodian of the child shall be notified as soon as possible. Unless there is reason to believe that the child would endanger self or others, not return for a court hearing, *run away from the child's parent, guardian, or custodian or otherwise* not remain in the care or control of the person to whose lawful custody the child is released, or that the child's health or welfare would be immediately endangered, the child shall be released to the custody of a parent, guardian, custodian, or other suitable person. That person shall promise to bring the child to the court, if necessary, at the time the court may direct. If the person taking the child into custody believes it desirable, that person may request the parent, guardian, custodian, or other person designated by the court to sign a written promise to bring the child to court as provided above. The intentional violation of such a promise, whether given orally or in writing, shall be punishable as contempt of court.

The court may require the parent, guardian, custodian or other person to whom the child is released, to post any reasonable bail or bond required by the court which shall be forfeited to the court if the child does not appear as directed. The court may also release the child on the child's own promise to appear in juvenile court.

Sec. 23. Minnesota Statutes 1986, section 260.171, subdivision 4, is amended to read:

Subd. 4. If the person who has taken the child into custody determines

that the child should be placed in a secure detention facility or a shelter care facility, that person shall advise the child and as soon as is possible, the child's parent, guardian, or custodian:

(a) of the reasons why the child has been taken into custody and why the child is being placed in a secure detention facility or a shelter care facility; and

(b) of the location of the secure detention facility or shelter care facility. If there is reason to believe that disclosure of the location of the shelter care facility would place the child's health and welfare in immediate endangerment, disclosure of the location of the shelter care facility shall not be made; and

(c) that the child's parent, guardian, or custodian and attorney or guardian ad litem may make an initial visit to the secure detention facility or shelter care facility at any time. Subsequent visits by a parent, guardian, or custodian may be made on a reasonable basis during visiting hours and by the child's attorney or guardian ad litem at reasonable hours; and

(d) that the child may telephone parents and an attorney or guardian ad litem from the secure detention facility or shelter care facility immediately after being admitted to the facility and thereafter on a reasonable basis to be determined by the director of the facility; and

(e) that the child may not be detained for acts as defined in section 260.015, subdivision 5, at a secure detention facility or shelter care facility longer than 36 hours, excluding Saturdays, Sundays and holidays, unless a petition has been filed within that time and the court orders the child's continued detention, pursuant to section 260.172; and

(f) that the child may not be detained pursuant to section 260.165, subdivision 1, clause (a) or (c)(2), at a shelter care facility longer than 72 hours, excluding Saturdays, Sundays and holidays, unless a petition has been filed within that time and the court orders the child's continued detention, pursuant to section 260.172; and

(g) of the date, time, and place of the detention hearing; and

(h) that the child and the child's parent, guardian, or custodian have the right to be present and to be represented by counsel at the detention hearing, and that if they cannot afford counsel, counsel will be appointed at public expense for the child, if it is a delinquency matter, or for any party, if it is a ~~dependency, neglect~~ *child in need of protection or services*, neglected and in foster care, or termination of parental rights matter.

Sec. 24. Minnesota Statutes 1986, section 260.172, subdivision 1, is amended to read:

Subdivision 1. Except a child taken into custody pursuant to section 260.165, subdivision 1, clause (a) or (c)(2), a hearing shall be held within 36 hours of a child's being taken into custody, excluding Saturdays, Sundays and holidays, to determine whether the child should continue in detention. Within 72 hours of a child being taken into custody pursuant to section 260.165, subdivision 1, clause (a) or (c)(2), excluding Saturdays, Sundays and holidays, a hearing shall be held to determine whether the child should continue in custody. Unless there is reason to believe that the child would endanger self or others, not return for a court hearing, *run away from the child's parent, guardian, or custodian or otherwise* not remain in the care or control of the person to whose lawful custody the child is released, or

that the child's health or welfare would be immediately endangered, the child shall be released to the custody of a parent, guardian, custodian or other suitable person.

Sec. 25. Minnesota Statutes 1986, section 260.173, subdivision 3, is amended to read:

Subd. 3. [PLACEMENT.] If the child had been taken into custody and detained as one who is alleged to be delinquent, a ~~habitual truant, a runaway in need of protection or services under section 3, clause (11) or (12), or a juvenile petty offender, or a juvenile alcohol or controlled substance offender~~ by reason of:

(a) Having committed an offense which would not constitute a violation of a state law or local ordinance if the child were an adult; or

(b) Having been previously adjudicated delinquent, ~~habitually truant, a runaway in need of protection or services under section 3, clause (11) or (12), or a juvenile petty offender, or a juvenile alcohol or controlled substance offender,~~ or conditionally released by the juvenile court without adjudication, has violated probation, parole, or other field supervision under which the child had been placed as a result of behavior described in this subdivision; the child may be placed only in a shelter care facility.

Sec. 26. Minnesota Statutes 1986, section 260.181, subdivision 4, is amended to read:

Subd. 4. [TERMINATION OF JURISDICTION.] The court may dismiss the petition or otherwise terminate its jurisdiction on its own motion or on the motion or petition of any interested party at any time. Unless terminated by the court, *and except as otherwise provided in this subdivision*, the jurisdiction of the court shall continue until the individual becomes 19 years of age if the court determines it is in the best interest of the individual to do so. *Court jurisdiction under section 3, clause (12), may not continue past the child's 17th birthday.*

Sec. 27. Minnesota Statutes 1986, section 260.191, subdivision 1, is amended to read:

Subdivision 1. [DISPOSITIONS.] (a) If the court finds that the child is ~~neglected, dependent, in need of protection or services~~ or neglected and in foster care, it shall enter an order making any of the following dispositions of the case:

(~~a~~) (1) place the child under the protective supervision of the county welfare board or child placing agency in the child's own home under conditions prescribed by the court directed to the correction of the ~~neglect or dependency of the child~~ *child's need for protection or services*;

(~~b~~) (2) transfer legal custody to one of the following:

(~~1~~) (i) a child placing agency; or

(~~2~~) (ii) the county welfare board.

In placing a child whose custody has been transferred under this paragraph, the agency and board shall follow the order of preference stated in section 260.181, subdivision 3;

(~~e~~) (3) if the child is in need of special treatment and care for reasons of physical or mental health, the court may order the child's parent, guardian, or custodian to provide it. If the parent, guardian, or custodian fails to

provide this treatment or care, the court may order it provided. If the court's order for mental health treatment is based on a diagnosis made by a treatment professional, the court may order that the diagnosing professional not provide the treatment to the child if it finds that such an order is in the child's best interests; or

(4) if the court believes that the child has sufficient maturity and judgment and that it is in the best interests of the child, the court may order a child 16 years old or older to be allowed to live independently, either alone or with others as approved by the court under supervision the court considers appropriate, if the county board has specifically authorized this dispositional alternative for a child whose parent, guardian, or custodian resides in that county.

(b) If the child was adjudicated in need of protection or services because the child is a runaway or habitual truant, the court may order any of the following dispositions in addition to or as alternatives to the dispositions authorized under paragraph (a):

(1) counsel the child or the child's parents, guardian, or custodian;

(2) place the child under the supervision of a probation officer or other suitable person in the child's own home under conditions prescribed by the court, including reasonable rules for the child's conduct and the conduct of the parents, guardian, or custodian, designed for the physical, mental, and moral well-being and behavior of the child; or with the consent of the commissioner of corrections, place the child in a group foster care facility which is under the commissioner's management and supervision;

(3) subject to the court's supervision, transfer legal custody of the child to one of the following:

(i) a reputable person of good moral character. No person may receive custody of two or more unrelated children unless licensed as a residential facility pursuant to sections 245.781 to 245.812; or

(ii) a county probation officer for placement in a group foster home established under the direction of the juvenile court and licensed pursuant to section 241.021;

(4) require the child to pay a fine of up to \$100. The court shall order payment of the fine in a manner that will not impose undue financial hardship upon the child;

(5) require the child to participate in a community service project;

(6) order the child to undergo a chemical dependency evaluation and, if warranted by the evaluation, order participation by the child in a drug awareness program or an inpatient or outpatient chemical dependency treatment program;

(7) if the court believes that it is in the best interests of the child and of public safety that the child's driver's license be canceled, the court may recommend to the commissioner of public safety that the child's license be canceled for any period up to the child's 18th birthday. The commissioner is authorized to cancel the license without a hearing. At any time before the expiration of the period of cancellation, the court may, for good cause, recommend to the commissioner of public safety that the child be authorized to apply for a new license, and the commissioner may so authorize; or

(8) require the child to perform any other activities or participate in

any other treatment programs deemed appropriate by the court.

Sec. 28. Minnesota Statutes 1986, section 260.191, is amended by adding a subdivision to read:

Subd. 1e. [CASE PLAN.] For each disposition ordered, the court shall order the appropriate agency to prepare a written case plan developed after consultation with and participation by the child and the child's parent, guardian, or custodian. The case plan shall comply with the requirements of section 257.071, where applicable. The case plan shall, among other matters, specify the actions to be taken by the child and the child's parent, guardian, or custodian to comply with the court's disposition order, and the services to be offered and provided by the agency to the child and the child's parent, guardian, or custodian. The court shall review the case plan and, upon approving it, incorporate the plan into its disposition order. The court may review and modify the terms of the case plan in the manner provided in subdivision 2.

Sec. 29. Minnesota Statutes 1986, section 260.191, subdivision 4, is amended to read:

Subd. 4. When it is in the best interests of the child or the child's parents to do so and when either the allegations contained in the petition have been admitted, or when a hearing has been held as provided in section 260.155 and the allegations contained in the petition have been duly proven, before a finding of ~~neglect or dependency~~ need for protection or services or a finding that a child is neglected and in foster care has been entered the court may continue the case for a period not to exceed 90 days on any one order. Such a continuance may be extended for one additional successive period not to exceed 90 days and only after the court has reviewed the case and entered its order for an additional continuance without a finding that the child is ~~neglected, dependent, in need of protection or services~~ or neglected and in foster care. During this continuance the court may enter any order otherwise permitted under the provisions of this section.

Sec. 30. Minnesota Statutes 1986, section 260.195, is amended to read:

260.195 [JUVENILE ALCOHOL OR CONTROLLED SUBSTANCE OFFENDER PETTY OFFENDERS; PROCEDURES; DISPOSITIONS.]

Subdivision 1. [ADJUDICATION.] A petty offender who has committed a juvenile alcohol or controlled substance offender offense shall be adjudicated a "juvenile alcohol petty offender or juvenile controlled substance offender," and shall not be adjudicated delinquent, unless, as in the case of any other child alleged to be delinquent, a petition is filed in the manner provided in section 260.131, summons issued, notice given, a hearing held, and the court finds as a further fact that the child is also delinquent within the meaning and purpose of the laws related to juvenile courts.

Subd. 2. [PROCEDURE.] When a peace officer has probable cause to believe that a child is a juvenile alcohol or controlled substance petty offender, the officer may issue a notice to the child to appear in juvenile court in the county in which the alleged violation occurred. The officer shall file a copy of the notice to appear with the juvenile court of the county in which the alleged violation occurred. Filing with the court a notice to appear containing the name and address of the child who is alleged to be a juvenile alcohol or controlled substance petty offender, specifying the offense charged, and the time and place of the alleged violation has the effect of a petition giving the juvenile court jurisdiction. Any reputable

person having knowledge that a child is a ~~juvenile alcohol or controlled substance~~ *petty* offender may petition the juvenile court in the manner provided in section 260.131. Whenever a notice to appear or petition is filed alleging that a child is a ~~juvenile alcohol or controlled substance~~ *petty* offender, the court shall summon and notify the person or persons having custody or control of the child of the nature of the offense charged and the time and place of hearing. This summons and notice shall be served in the time and manner provided in section 260.135, subdivision 1. If a child fails to appear in response to the notice provided by this subdivision, the court may issue a summons notifying the child of the nature of the offense alleged and the time and place set for the hearing. If the peace officer finds it necessary to take the child into custody, sections 260.165 and 260.171 shall apply.

Subd. 3. [DISPOSITIONS.] If the juvenile court finds that a child is a ~~juvenile alcohol or controlled substance~~ *petty* offender, the court may require the child to:

- (a) Pay a fine of up to \$100;
- (b) Participate in a community service project;
- (c) Participate in a drug awareness program; or
- (d) Order the child to undergo a chemical dependency evaluation and if warranted by this evaluation, order participation by the child in an inpatient or outpatient chemical dependency treatment program; or
- (e) Perform any other activities or participate in any other treatment programs deemed appropriate by the court.

In all cases where the juvenile court finds that a child has purchased or attempted to purchase an alcoholic beverage in violation of section 340.731, if the child has a driver's license or permit to drive, and if the child used a driver's license or permit to purchase or attempt to purchase the alcoholic beverage, the court shall forward its finding in the case and the child's driver's license or permit to the commissioner of public safety. Upon receipt, the commissioner shall revoke the child's license or permit for a period of 30 days.

None of the dispositional alternatives described in clauses (a) to (e) shall be imposed by the court in a manner which would cause an undue hardship upon the child.

Subd. 4. [ALTERNATIVE DISPOSITION.] In addition to dispositional alternatives authorized by subdivision 3, in the case of a third or subsequent finding by the court pursuant to an admission in court or after trial that a child ~~is~~ *has committed* a juvenile alcohol or controlled substance ~~offender~~ *offense*, the juvenile court shall order a chemical dependency evaluation of the child and if warranted by the evaluation, the court may order participation by the child in an inpatient or outpatient chemical dependency treatment program, or any other treatment deemed appropriate by the court.

Subd. 5. [FINDINGS REQUIRED.] Any order for disposition authorized by this section shall contain written findings of fact to support the disposition ordered, and shall also set forth in writing the following information:

- (a) Why the best interests of the child are served by the disposition ordered; and
- (b) What alternative dispositions were considered by the court and why

they were not appropriate in the instant case.

Subd. 6. [REPORT.] The juvenile court shall report to the office of state court administrator each disposition made under this section and sections 260.185, 260.191, and 260.192, and ~~260.194~~ where placement is made outside of this state's jurisdictional boundaries. Each report shall contain information as to date of placement, length of anticipated placement, program costs, reasons for out of state placement, and any other information as the office requires to determine the number of out of state placements, the reasons for these placements, and the costs involved. The report shall not contain the name of the child. Any information contained in the reports relating to factors identifying a particular child is confidential and may be disclosed only by order of the juvenile court. Any person violating this subdivision as to release of this confidential information is guilty of a misdemeanor.

Subd. 7. [EXPUNGEMENT.] The court may expunge the adjudication of a child as a ~~juvenile alcohol or controlled substance~~ petty offender at any time it deems advisable.

Sec. 31. Minnesota Statutes 1987 Supplement, section 260.221, is amended to read:

260.221 [GROUNDS FOR TERMINATION OF PARENTAL RIGHTS.]

The juvenile court may, upon petition, terminate all rights of a parent to a child in the following cases:

(a) With the written consent of a parent who for good cause desires to terminate parental rights; or

(b) If it finds that one or more of the following conditions exist:

(1) That the parent has abandoned the child; or

(2) That the parent has substantially, continuously, or repeatedly refused or neglected to comply with the duties imposed upon that parent by the parent and child relationship, including but not limited to providing the child with necessary food, clothing, shelter, education, and other care and control necessary for the child's physical, mental, or emotional health and development, if the parent is physically and financially able; or

(3) That a parent has been ordered to contribute to the support of the child or financially aid in the child's birth and has continuously failed to do so without good cause. This clause shall not be construed to state a grounds for termination of parental rights of a noncustodial parent if that parent has not been ordered to or cannot financially contribute to the support of the child or aid in the child's birth; or

(4) That a parent is palpably unfit to be a party to the parent and child relationship because of a consistent pattern of specific conduct before the child or of specific conditions directly relating to the parent and child relationship either of which are determined by the court to be permanently detrimental to the physical or mental health of the child; or

(5) That following upon a determination of ~~neglect or dependency~~ *a child's need for protection or services*, reasonable efforts, under the direction of the court, have failed to correct the conditions leading to the determination; or

(6) That in the case of a child born to a mother who was not married to

the child's father when the child was conceived nor when the child was born the person is not entitled to notice of an adoption hearing under section 259.26 and either the person has not filed a notice of intent to retain parental rights under section 259.261 or that the notice has been successfully challenged; or

(7) That the child is neglected and in foster care.

For purposes of clause (a), an adoptive parent may not terminate parental rights to an adopted child for a reason that would not apply to a birth parent seeking termination of parental rights to a child under clause (a).

Sec. 32. Minnesota Statutes 1986, section 260.235, is amended to read:

260.235 [DISPOSITION; PARENTAL RIGHTS NOT TERMINATED.]

If, after a hearing, the court does not terminate parental rights but determines that ~~conditions of neglect or dependency exist~~ *the child is in need of protection or services*, or that the child is neglected and in foster care, the court may find the child ~~neglected, dependent,~~ *is in need of protection or services* or neglected and in foster care and may enter an order in accordance with the provisions of section 260.191.

Sec. 33. Minnesota Statutes 1986, section 260.255, is amended to read:

260.255 [JURISDICTION OVER PERSONS CONTRIBUTING TO DELINQUENCY OR ~~NEGLECT~~ *NEED FOR PROTECTION OR SERVICES*; COURT ORDERS.]

Subdivision 1. The juvenile court has jurisdiction over persons contributing to the delinquency or ~~neglect~~ *need for protection or services* of a child under the provisions of subdivision 2 or 3.

Subd. 2. If in the hearing of a case of a child alleged to be delinquent or ~~neglected~~ *in need of protection or services* it appears by a fair preponderance of the evidence that any person has violated the provisions of section 260.315, the court may make any of the following orders:

(a) Restrain the person from any further act or omission in violation of section 260.315; or

(b) Prohibit the person from associating or communicating in any manner with the child; or

(c) Provide for the maintenance or care of the child, if the person is responsible for such, and direct when, how, and where money for such maintenance or care shall be paid.

Subd. 3. Before making any order under subdivision 2 the court shall issue an order to show cause, either upon its own motion or upon a verified petition, specifying the charges made against the person and fixing the time and place of the hearing. The order to show cause shall be served personally and shall be heard in the same manner as provided in other cases in the juvenile court.

Sec. 34. Minnesota Statutes 1986, section 260.291, subdivision 1, is amended to read:

Subdivision 1. [PERSONS ENTITLED TO APPEAL; PROCEDURE.] An appeal may be taken by the aggrieved person from a final order affecting a substantial right of the aggrieved person, including but not limited to an order adjudging a child to be ~~dependent, neglected~~ *in need of protection*

or services, neglected and in foster care, delinquent, or a juvenile traffic offender. The appeal shall be taken within 30 days of the filing of the appealable order. The court administrator shall notify the person having legal custody of the minor of the appeal. Failure to notify the person having legal custody of the minor shall not affect the jurisdiction of the appellate court. The order of the juvenile court shall stand, pending the determination of the appeal, but the reviewing court may in its discretion and upon application stay the order.

Sec. 35. Minnesota Statutes 1986, section 260.301, is amended to read:
260.301 [CONTEMPT.]

Any person knowingly interfering with an order of the juvenile court is in contempt of court. *However, a child who is under the continuing jurisdiction of the court for reasons other than delinquency may not be adjudicated as a delinquent solely on the basis of having knowingly interfered with or disobeyed an order of the court.*

Sec. 36. Minnesota Statutes 1986, section 260.315, is amended to read:

260.315 [CONTRIBUTING TO ~~NEGLECT~~ NEED FOR PROTECTION OR SERVICES OR DELINQUENCY.]

Any person who by act, word or omission encourages, causes or contributes to the ~~neglect~~ need for protection or services or delinquency of a child, or to a child's status as a ~~habitual truant, runaway, juvenile petty offender, juvenile alcohol offender, or juvenile controlled substance offender,~~ is guilty of a misdemeanor.

Sec. 37. Minnesota Statutes 1986, section 260.35, is amended to read:

260.35 [TESTS, EXAMINATIONS.]

Thereafter it shall be the duty of the commissioner of human services through the bureau of child welfare and county welfare boards to arrange for such tests, examinations, and investigations as are necessary for the proper diagnosis, classification, treatment, care and disposition of the child as necessity and the best interests of the child shall from time to time require. When it appears that a ~~dependent or neglected~~ child found to be in need of protection or services is sound of mind, free from disease, and suitable for placement in a foster home for care or adoption, the commissioner may so place the child or delegate such duties to a child-placing agency accredited as provided by law, or authorize the child's care in the county by and under the supervision of the county welfare board.

Sec. 38. Minnesota Statutes 1986, section 260.36, is amended to read:

260.36 [SPECIAL PROVISIONS IN CERTAIN CASES.]

When the commissioner of human services shall find that a child transferred to the commissioner's guardianship after parental rights to the child are terminated or that a child committed to the commissioner's guardianship as a ~~dependent or neglected~~ child in need of protection or services is handicapped physically or whose mentality has not been satisfactorily determined or who is affected by habits, ailments, or handicaps that produce erratic and unstable conduct, and is not suitable or desirable for placement in a home for permanent care or adoption, the commissioner of human services shall make special provision for the child's care and treatment designed to the child, if possible, for such placement or to become self-supporting. The facilities of the commissioner of human services and all

state treatment facilities, the Minnesota general hospital, and the child guidance clinic of its psychopathic department, as well as the facilities available through reputable clinics, private child-caring agencies, and foster boarding homes, accredited as provided by law, may be used as the particular needs of the child may demand. When it appears that the child is suitable for permanent placement or adoption, the commissioner of human services shall cause the child to be placed as provided in section 260.35. If the commissioner of human services is satisfied that the child is mentally retarded the commissioner may bring the child before the probate court of the county where the child is found or the county of the child's legal settlement for examination and commitment as provided by law.

Sec. 39. Minnesota Statutes 1986, section 484.73, subdivision 2, is amended to read:

Subd. 2. [EXCLUSIONS.] Judicial arbitration may not be used to dispose of matters relating to guardianship, conservatorship, or civil commitment, matters within the juvenile court jurisdiction involving ~~neglect, dependency, children in need of protection or services~~ or delinquency, matters involving termination of parental rights under sections 260.221 to 260.245, or matters arising under sections 518B.01, 626.557, or 144.651 to 144.652.

Sec. 40. [REPEALER.]

Minnesota Statutes 1986, sections 260.015, subdivisions 6 and 10; 260.103; and 260.194, are repealed."

Delete the title and insert:

"A bill for an act relating to juveniles; eliminating statutory references to "dependency" and "neglect" and substituting the term "child in need of protection or services"; eliminating juvenile court jurisdiction over children who are "habitually disobedient"; transferring alleged truants and runaways to the court's protective services jurisdiction; transferring certain young alleged delinquents to the court's protective services jurisdiction; limiting the duration of the court's continuing jurisdiction over truants; expanding the court's dispositional authority in certain child protection cases; limiting the juvenile court's contempt authority over nondelinquents; amending Minnesota Statutes 1986, sections 242.19, subdivision 2; 260.011, subdivision 2; 260.015, subdivisions 21, 22, 23, and by adding a subdivision; 260.111, subdivisions 1, 3, and by adding a subdivision; 260.121, subdivisions 1 and 2; 260.131, subdivision 1; 260.132, subdivisions 1 and 3; 260.133, subdivision 2; 260.135, subdivisions 1 and 3; 260.155, subdivisions 4 and 4a; 260.171, subdivisions 1 and 4; 260.172, subdivision 1; 260.173, subdivision 3; 260.181, subdivision 4; 260.191, subdivisions 1, 4, and by adding a subdivision; 260.195; 260.235; 260.255; 260.291, subdivision 1; 260.301; 260.315; 260.35; 260.36; and 484.73, subdivision 2; and Minnesota Statutes 1987 Supplement, sections 260.155, subdivision 1; 260.156; and 260.221; repealing Minnesota Statutes 1986, sections 260.015, subdivisions 6 and 10; 260.103; and 260.194."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Chmielewski from the Committee on Employment, to which was referred

S.F. No. 2496: A bill for an act relating to jobs and training; establishing demonstration projects to create housing for homeless people; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 268.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1986, section 268.0111, is amended by adding a subdivision to read:

Subd. 4a. [HOMELESS INDIVIDUAL.] “Homeless individual” or “homeless person” means:

(1) an individual who lacks a fixed, regular, and adequate nighttime residence; and

(2) an individual who has a primary nighttime residence that is:

(i) a supervised publicly or privately operated shelter or dwelling designed to provide temporary living accommodations,

(ii) an institution that provides a temporary residence for individuals intended to be institutionalized, or

(iii) a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for humans.

The term “homeless individual” does not include any individual imprisoned or otherwise detained pursuant to federal or state law.

Sec. 2. [268.39] [LIFE SKILLS AND EMPLOYMENT GRANTS.]

The commissioner may provide grants to organizations for the development and administration of life skills and employment plans for homeless individuals that reside in residential units constructed or rehabilitated under section 3. Grants awarded under this section may also be used for the management of these residential units. The organizations that receive grants under this section must coordinate their efforts with organizations that receive grants under section 3.

A life skills and employment plan must be developed for each tenant residing in a dwelling that receives funding under section 3. The plan may include preapprentice and apprenticeship training in the area of housing rehabilitation. If preapprentice and apprenticeship training is part of a plan, the organization must consult with labor organizations experienced in working with apprenticeship programs. The completion or compliance with the individual life skills and employment plan must be required for a tenant to remain in a unit constructed or rehabilitated under section 3.

The application for a grant under this section must include a plan that must provide for:

(1) training for tenants in areas such as cleaning and maintenance, payment of rent, and roommate skills, and

(2) tenant selection and rental policies that ensure rental of units to people who are homeless, if applicable.

The applicant must provide a proposed occupancy contract if applicable,

the name and address of the rental agent if applicable, and other information the commissioner considers necessary with the application.

The commissioner may adopt permanent rules to administer this grant program.

Sec. 3. Minnesota Statutes 1986, section 462A.05, is amended by adding a subdivision to read:

Subd. 29. [HOUSING GRANTS FOR HOMELESS INDIVIDUALS.] The agency may provide grants to eligible mortgagors for the purpose of purchasing, rehabilitating, and constructing housing for homeless individuals as defined in section 1. The agency may determine the conditions, if any, under which all or a portion of the grant will be repaid and appropriate security, if any, for repayment of the grant. In establishing this grant program, the agency must consult the commissioner of jobs and training. The applicant must consult with advocates for the homeless, representatives from neighborhood groups and representatives of labor organizations in preparing the proposal.

Grants awarded under this section may not exceed \$25,000 per residential unit. Priority must be given to viable proposals with the lowest total cost. Applicants must consider the use of donated or leased, abandoned or empty dwellings owned by a public entity including, but not limited to, a housing redevelopment authority, community development authority, public housing authority, the federal Department of Housing and Urban Development or the Farmers Home Administration. Any residential unit purchased, rehabilitated or constructed under this section must be allocated in the following order:

- (1) homeless families with at least one dependent,*
- (2) other homeless individuals,*
- (3) other very low income families or individuals whose incomes are equal to or less than 30 percent of the median income for the Minneapolis St. Paul metropolitan area, and*
- (4) families or individuals that receive public assistance and do not qualify in any other priority group.*

Proposals must include a plan for (a) maintaining the ownership of the property and managing the dwelling for rental to homeless individuals and families and very low income families; (b) selling rehabilitated dwellings to homeless individuals and families or very low income families; or (c) selling, leasing or conveying to organizations that will manage the dwelling for rental to homeless individuals and families and very low income families. These organizations may include organizations awarded grants under section 2.

Eligible mortgagors must demonstrate that the grants awarded under this section will not exceed 50 percent of the project's total cost. A project's total cost includes, but is not limited to, acquisition costs, rehabilitation costs and related costs. In cases where the property is donated, the acquisition costs are the pre-rehabilitated estimated market value as established for property tax purposes. Donated property may be used to satisfy the match requirement.

Sec. 4. Minnesota Statutes 1986, section 462A.21, is amended by adding a subdivision to read:

Subd. 14. It may make housing grants for homeless individuals as provided in section 3 and may pay the costs and expenses for the development and operation of the program.

Sec. 5. [APPROPRIATION.]

(a) \$ is appropriated from the general fund to the commissioner of jobs and training for grants awarded under section 2.

(b) \$ is appropriated from the general fund to the housing development fund established in section 462A.20 for grants awarded under section 3."

Delete the title and insert:

"A bill for an act relating to jobs and training; establishing grant programs for housing for homeless persons; appropriating money; amending Minnesota Statutes 1986, sections 268.0111, by adding a subdivision; 462A.05, by adding a subdivision; and 462A.21, by adding a subdivision; and proposing coding for new law in Minnesota Statutes, chapter 268."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 752: A bill for an act relating to occupations and professions; amending the laws regulating the practice of pharmacy; providing definitions; providing for registration of pharmacies, drug manufacturers, and others; providing for licensing of pharmacists; providing remedies for violations; amending Minnesota Statutes 1986, sections 151.01; 151.04; 151.06, subdivision 1; 151.101; 151.15; 151.19; 151.211; 151.212, subdivision 1, and by adding a subdivision; 151.25; 151.26, subdivision 1; 151.32; 151.34; and 151.37; proposing coding for new law in Minnesota Statutes, chapter 151; repealing Minnesota Statutes 1986, sections 151.06, subdivision 2a; 151.11; 151.28; and 151.31.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 151.01, subdivision 2, is amended to read:

Subd. 2. [PHARMACY.] The term "pharmacy" means a drug store or other established place regularly registered by the state board of pharmacy, in which prescriptions, drugs, medicines, chemicals, and poisons are compounded, dispensed, vended, or sold at retail "Pharmacy" means an established place of business in which prescriptions, drugs, medicines, chemicals, and poisons are prepared, compounded, dispensed, vended, or sold to or for the use of patients and from which related clinical pharmacy services are delivered.

Sec. 2. Minnesota Statutes 1986, section 151.01, is amended by adding a subdivision to read:

Subd. 27. [PRACTICE OF PHARMACY.] "Practice of pharmacy" means (1) the interpretation and evaluation of prescriptions or drug orders; (2) the compounding, dispensing, or labeling of drugs and devices (except

labeling by a manufacturer or packager of nonprescription drugs or commercially packaged legend drugs and devices); (3) the participation in clinical interpretations of drug therapy for assurance of safe and effective use of drugs; (4) participation in drug selection and drug utilization reviews; (5) participation in the storage of drugs and the maintenance of records therefor; (6) the responsibility for advising on therapeutic values, content, hazards and uses of drugs and devices; and (7) the offering or performing of those acts, services, operations, or transactions necessary in the conduct, operation, management, and control of a pharmacy.

Sec. 3. Minnesota Statutes 1986, section 151.01, is amended by adding a subdivision to read:

Subd. 28. [DEVICE.] "Device" means an instrument, apparatus, implement, machine, contrivance, implant, in-vitro reagent, or other similar or related article including a component, part, or accessory, that is:

(1) recognized in the official National Formulary or the U.S.P. or any supplement to them;

(2) intended for use in the diagnosis of disease or other conditions, or in the cure, mitigation, treatment, or prevention of disease in man or other animals;

(3) intended to affect the structure or function of the body of man or other animals, and that does not achieve any of its principal intended purposes through chemical action within or on the body of man or other animals and is not dependent upon being metabolized for the achievement of any of its principal intended purposes; or

(4) restricted under federal law to sale by or on the order of a licensed practitioner.

Sec. 4. Minnesota Statutes 1986, section 151.01, is amended by adding a subdivision to read:

Subd. 29. [VETERINARY LEGEND DRUG.] "Veterinary legend drug" means a drug that is required by federal law to bear the following statement: "Caution: Federal law restricts this drug to use by or on the order of a licensed veterinarian."

Sec. 5. Minnesota Statutes 1986, section 151.01, is amended by adding a subdivision to read:

Subd. 30. [LEGEND MEDICAL GAS.] "Legend medical gas" means a liquid or gaseous substance used for medical purposes and that is required by federal law to bear the following statement: "Caution: Federal law prohibits dispensing without a prescription."

Sec. 6. Minnesota Statutes 1986, section 151.01, is amended by adding a subdivision to read:

Subd. 31. [DISPENSE.] "Dispense or dispensing" means the preparation or delivery of a drug pursuant to a lawful order of a practitioner in a suitable container appropriately labeled for subsequent administration to or use by a patient or other individual entitled to receive the drug.

Sec. 7. Minnesota Statutes 1986, section 151.04, is amended to read:

151.04 [RECOMMENDED NAMES.]

The Minnesota state pharmaceutical association *and the Minnesota society of hospital pharmacists* may *jointly* recommend five names for each pharmacist to be appointed.

Sec. 8. Minnesota Statutes 1986, section 151.06, subdivision 1, is amended to read:

Subdivision 1. (a) [POWERS AND DUTIES.] The board of pharmacy shall have the power and it shall be its duty:

- (1) to regulate the practice of pharmacy;
- (2) to regulate the manufacture, wholesale, and retail sale of drugs ~~or medicines and medical devices~~ within this state;
- (3) to regulate the identity, labeling, purity, and quality of all drugs and medicines dispensed in this state, using the United States pharmacopoeia and the national formulary, or any revisions thereof, or standards adopted under the federal act as the standard;
- (4) ~~It may, by its duly authorized representative,~~ to enter and inspect ~~by its authorized representative~~ any and all places where drugs ~~or~~ medicines, ~~medical devices, medical gases, or veterinary drugs or devices~~ are sold, vended, given away, compounded, dispensed, manufactured, whole-saled or held; it may secure samples or specimens of any ~~drug or medicine drugs, medicines, medical devices, medical gases, or veterinary drugs or devices~~ after paying or offering to pay for such sample; it shall be entitled to inspect and make copies of any and all records of shipment, purchase, manufacture, quality control, and sale of ~~drugs or medicines~~ *these items* provided, however, that such inspection shall not extend to financial data, sales data, or pricing data;
- (5) to examine and license as pharmacists all applicants whom it shall deem qualified to be such;
- (6) to deny, suspend, revoke, or refuse to renew any registration or license required under this chapter, to any applicant or registrant or licensee upon any of the following grounds:
 - (a) (i) fraud or deception in connection with the securing of such license or registration;
 - (b) (ii) in the case of a pharmacist, conviction in any court of a felony;
 - (c) (iii) in the case of a pharmacist, conviction in any court of an offense involving moral turpitude;
 - (d) (iv) habitual indulgence in the use of narcotics, stimulants, or depressant drugs; or habitual indulgence in intoxicating liquors in a manner which could cause conduct endangering public health;
 - (e) (v) unprofessional conduct or conduct endangering public health;
 - (f) (vi) gross immorality;
 - (g) (vii) employing, assisting, or enabling in any manner an unlicensed person to practice pharmacy;
 - (h) (viii) conviction of theft of drugs, or the unauthorized use, possession, or sale thereof;
 - (i) (ix) violation of any of the provisions of this chapter or any of the rules of the state board of pharmacy;

⊕ (x) in the case of a pharmacy license, operation of such pharmacy without a pharmacist present and on duty;

⊕ (xi) in the case of a pharmacist, physical or mental disability which could cause incompetency in the practice of pharmacy; or

(xii) in the case of a pharmacist, the suspension or revocation of a license to practice pharmacy in another state;

(7) to employ necessary assistants and make rules for the conduct of its business; and

(8) to perform such other duties and exercise such other powers as the provisions of the act may require;

(b) [TEMPORARY SUSPENSION.] *In addition to any other remedy provided by law, the board may, without a hearing, temporarily suspend a license for not more than 60 days if the board finds that a pharmacist has violated a statute or rule that the board is empowered to enforce and continued practice by the pharmacist would create an imminent risk of harm to others. The suspension shall take effect upon written notice to the pharmacist, specifying the statute or rule violated. At the time it issues the suspension notice, the board shall schedule a disciplinary hearing to be held under the administrative procedure act. The pharmacist shall be provided with at least 20 days notice of any hearing held under this subdivision.*

⊕ (c) [RULES.] For the purposes aforesaid it shall be the duty of the board to make and publish uniform rules not inconsistent herewith for carrying out and enforcing the provisions of this chapter.

Sec. 9. [151.09] [INACTIVE STATUS LICENSE.]

The board may, by rule, establish standards for an inactive status of licensure for previously licensed pharmacists who have retired from active practice, have left the state, or have otherwise ceased to be actively engaged in the practice of pharmacy in this state.

Sec. 10. Minnesota Statutes 1986, section 151.101, is amended to read:

151.101 [INTERNSHIP]

The board may license as an intern any natural persons who have satisfied the board that they are of good moral character, not physically or mentally unfit, and who have successfully completed the educational requirements for intern licensure prescribed by the board. The board shall prescribe standards and requirements for *interns, pharmacist-preceptors, and internship training* but may not require more than one year of such training.

The board in its discretion may accept internship experience obtained in another state provided the internship requirements in such other state are in the opinion of the board equivalent to those herein provided.

Sec. 11. Minnesota Statutes 1986, section 151.15, is amended to read:

151.15 [COMPOUNDING DRUGS UNLAWFUL UNDER CERTAIN CONDITIONS.]

Subdivision 1. [LOCATION.] It shall be unlawful for any person to compound, dispense, vend, or sell at ~~retail~~, drugs, medicines, chemicals, or poisons in any place other than a pharmacy, except as provided in this chapter.

Subd. 2. [PROPRIETORS OF PHARMACIES.] No proprietor of a pharmacy shall permit the compounding or dispensing of prescriptions except by a pharmacist, ~~or by an assistant pharmacist,~~ or by a pharmacist intern under the personal supervision of a pharmacist; or the vending or selling ~~at retail~~ of drugs, medicines, chemicals, or poisons in the proprietor's pharmacy except under the personal supervision of a pharmacist ~~or of an assistant pharmacist in the temporary absence of the pharmacist.~~

Subd. 3. [UNLICENSED PERSONS; VETERINARY LEGEND DRUGS.] *It shall be unlawful for any person other than a licensed veterinarian or pharmacist to compound or dispense veterinary legend drugs except as provided in this chapter.*

Subd. 4. [UNLICENSED PERSONS; LEGEND DRUGS.] *It shall be unlawful for any person other than a licensed practitioner or pharmacist to compound or dispense legend drugs except as provided in this chapter.*

Sec. 12. Minnesota Statutes 1986, section 151.19, is amended to read:

151.19 [REGISTRATION OF PHARMACIES; LICENSE, FEE; FEES.]

Subdivision 1. [PHARMACY REGISTRATION.] The board shall require and provide for the annual registration of every pharmacy now or hereafter doing business within this state. Upon the payment of a fee to be set by the board, the board shall issue a ~~license~~ registration certificate in such form as it may prescribe to such persons as may be qualified by law to conduct a pharmacy. Such ~~license~~ certificate shall be ~~exposed~~ displayed in a conspicuous place in the pharmacy for which it is issued and expire on the thirtieth day of June following the date of issue. It shall be unlawful for any person to conduct a pharmacy unless such ~~license~~ certificate has been issued to the person by the board.

Subd. 2. [NONRESIDENT PHARMACIES.] *The board shall require and provide for an annual nonresident special pharmacy registration for all pharmacies located outside of this state that regularly dispense medications for Minnesota residents and mail, ship, or deliver prescription medications into this state. Nonresident special pharmacy registration shall be granted by the board upon the disclosure and certification by a pharmacy:*

(1) that it is licensed in the state in which the dispensing facility is located and from which the drugs are dispensed;

(2) the location, names, and titles of all principal corporate officers and all pharmacists who are dispensing drugs to residents of this state;

(3) that it complies with all lawful directions and requests for information from the board of pharmacy of all states in which it is licensed or registered, except that it shall respond directly to all communications from the board concerning emergency circumstances arising from the dispensing of drugs to residents of this state;

(4) that it maintains its records of drugs dispensed to residents of this state so that the records are readily retrievable from the records of other drugs dispensed;

(5) that it cooperates with the board in providing information to the board of pharmacy of the state in which it is licensed concerning matters related to the dispensing of drugs to residents of this state; and

(6) that during its regular hours of operation, but not less than six days per week, for a minimum of 40 hours per week, a toll-free telephone service

is provided to facilitate communication between patients in this state and a pharmacist at the pharmacy who has access to the patients' records; the toll-free number must be disclosed on the label affixed to each container of drugs dispensed to residents of this state.

Subd. 3. [SALE OF OTHER DRUGS AND DEVICES.] The board shall require and provide for the annual registration of every person or establishment not licensed as a pharmacy or a practitioner engaged in the retail sale or distribution of federally restricted medical devices or medical gases, or of veterinary drugs or devices. Upon the payment of a fee to be set by the board, the board shall issue a registration certificate in such form as it may prescribe to those persons or places that may be qualified to sell or distribute these items. The certificate shall be displayed in a conspicuous place in the business for which it is issued and expire on the date set by the board. It is unlawful for a person to sell or distribute these items unless a certificate has been issued to him by the board.

Sec. 13. Minnesota Statutes 1986, section 151.211, is amended to read:

151.211 [RECORDS OF PRESCRIPTIONS.]

All prescriptions dispensed shall be kept on file in at the pharmacy location in which such dispensing occurred for a period of at least two years. No prescription shall be refilled except with the written or verbal consent of the prescriber; provided that. The date of such refill must be recorded and initialed upon the original prescription or within the electronically maintained record of the original prescription by the pharmacist, assistant pharmacist or pharmacist intern, or practitioner who refills the prescription.

Sec. 14. Minnesota Statutes 1986, section 151.212, subdivision 1, is amended to read:

Subdivision 1. [PRESCRIPTION DRUGS.] Drugs dispensed pursuant to a prescription shall bear a label permanently affixed to the immediate container in which the drug is dispensed and which is received by the purchaser. The label shall bear the name of the manufacturer or distributor of the finished dosage form of the drug and all other information required by law and by rules of the board.

Sec. 15. Minnesota Statutes 1986, section 151.212, is amended by adding a subdivision to read:

Subd. 3. [VETERINARY DRUGS.] Drugs dispensed, sold, or distributed in any manner pursuant to the order of a licensed veterinarian shall bear a label permanently affixed to the container in which the drug is dispensed and which is received by the purchaser. The label shall bear the name of the manufacturer or distributor of the finished dosage form of the drug and all other information required by law and the rules of the board.

Sec. 16. Minnesota Statutes 1986, section 151.25, is amended to read:

151.25 [LICENSURE REGISTRATION OF MANUFACTURERS OR WHOLESALERS; FEE; PROHIBITIONS.]

The board shall require and provide for the annual licensure registration of every person engaged in manufacturing or selling at wholesale drugs, medicines, chemicals or poisons for medicinal purposes, now or hereafter doing business within with accounts in this state. Upon a payment of a fee as set by the board, the board shall issue a licensure registration certificate

in such form as it may prescribe to such manufacturer or wholesaler. Such ~~license registration certificate~~ shall be ~~exposed~~ *displayed* in a conspicuous place in such manufacturer's or wholesaler's place of business for which it is issued and expire on the ~~13th day of June following the date of issue date set by the board~~. It shall be unlawful for any person to manufacture or sell at wholesale drugs, medicines, chemicals or poisons for medicinal purposes unless such a ~~license certificate~~ has been issued to the person by the board. It shall be unlawful for any person engaged in the manufacture or selling at wholesale, or the person's agent, to sell legend drugs to other than a pharmacy, except as provided in this chapter.

Sec. 17. Minnesota Statutes 1986, section 151.26, subdivision 1, is amended to read:

Subdivision 1. Nothing in this chapter shall subject a person duly licensed in this state to practice medicine, dentistry, or veterinary medicine, to inspection by the state board of pharmacy, nor prevent ~~such a~~ *the* person from ~~compounding or using~~ *administering* drugs, medicines, chemicals, or poisons in the person's practice, nor prevent ~~one a~~ *a* duly licensed ~~to practice medicine practitioner~~ from furnishing to a patient ~~such properly packaged and labeled~~ *drugs, medicines, chemicals, or poisons* ~~the licensed person deems proper as may be considered appropriate in the treatment of such patient; unless the person is engaged in the dispensing, sale, or distribution of drugs and the board provides reasonable notice of an inspection.~~

Except for the provisions of section 151.37, nothing in this chapter applies to or interferes with the dispensing, in its original package and at no charge to the patient, of a legend drug, other than a controlled substance, that was packaged by a manufacturer and provided to the dispenser for distribution as a professional sample.

Nothing in this chapter shall prevent the sale of drugs, medicines, chemicals, or poisons at wholesale to licensed physicians, dentists and veterinarians for use in their practice, nor to hospitals for use therein.

Nothing in this chapter shall prevent the sale of drugs, chemicals, or poisons either at wholesale or retail for use for commercial purposes, or in the arts, nor interfere with the sale of insecticides, as defined in Minnesota Statutes 1974, section 24.069, and nothing in this chapter shall prevent the sale of common household preparations and other drugs, chemicals, and poisons sold exclusively for use for nonmedicinal purposes.

Nothing in this chapter shall apply to or interfere with the vending or retailing of any nonprescription medicine or drug not otherwise prohibited by statute which is prepackaged, fully prepared by the manufacturer or producer for use by the consumer, and labeled in accordance with the requirements of the state or federal food and drug act; nor to the manufacture, wholesaling, vending, or retailing of flavoring extracts, toilet articles, cosmetics, perfumes, spices, and other commonly used household articles of a chemical nature, for use for nonmedicinal purposes. Nothing in this chapter shall prevent the sale of drugs or medicines by licensed pharmacists at a discount to persons over 65 years of age.

Sec. 18. Minnesota Statutes 1986, section 151.32, is amended to read:

151.32 [CITATION.]

The title of sections 151.01 to ~~151.32~~ *151.40* shall be the pharmacy law ~~of 1937 practice act of 1988~~.

Sec. 19. Minnesota Statutes 1986, section 151.34, is amended to read:

151.34 [PROHIBITED ACTS.]

It shall be unlawful to:

(1) manufacture, sell or deliver, hold or offer for sale any drug that is adulterated or misbranded;

(2) adulterate or misbrand any drug;

(3) receive in commerce any drug that is adulterated or misbranded, and to deliver or proffer delivery thereof for pay or otherwise;

(4) refuse to permit entry or inspection, or to permit the taking of a sample, or to permit access to or copying of any record as authorized by this chapter;

(5) remove or dispose of a detained or embargoed article in violation of this chapter;

(6) alter, mutilate, destroy, obliterate, or remove the whole or any part of the labeling of, or to do any other act with respect to a drug, if such act is done while such drug is held for sale and results in such drug being adulterated or misbranded;

(7) use for a person's own advantage or to reveal other than to the board or its authorized representative or to the courts when required in any judicial proceeding under this chapter any information acquired under authority of this chapter concerning any method or process which is a trade secret and entitled to protection;

(8) use on the labeling of any drug any representation or suggestion that an application with respect to such drug is effective under the federal act or that such drug complies with such provisions;

(9) in the case of a manufacturer, packer, or distributor offering legend drugs for sale within this state, fail to maintain for transmittal or to transmit, to any practitioner licensed by applicable law to administer such drug who makes written request for information as to such drug, true and correct copies of all printed matter which is required to be included in any package in which that drug is distributed or sold, or such other printed matter as is approved under the federal act. Nothing in this paragraph shall be construed to exempt any person from any labeling requirement imposed by or under provisions of this chapter; or

(10) conduct a pharmacy without a pharmacist in charge;

(11) *dispense a legend drug without first obtaining a valid prescription for that drug;*

(12) *conduct a pharmacy without proper registration with the board; or*

(13) *sell at retail federally restricted medical devices, medical gases, or veterinary drugs or devices without proper registration with the board except as provided in this chapter.*

Sec. 20. Minnesota Statutes 1986, section 151.37, is amended to read:

151.37 [LEGEND DRUGS, WHO MAY PRESCRIBE, POSSESS.]

Subdivision 1. Except as otherwise provided in this chapter, it shall be unlawful for any person to have in possession, or to sell, give away, barter, exchange, or distribute a legend drug.

Subd. 2. A licensed practitioner in the course of professional practice only, may prescribe, administer, and dispense a legend drug, ~~or~~ and may cause the same to be administered by a nurse or intern under the practitioner's direction and supervision.

Subd. 3. A licensed doctor of veterinary medicine, in the course of professional practice only and not for use by a human being, may *personally* prescribe, administer, and dispense a legend drug, and may cause the same to be administered *or dispensed* by an assistant under the doctor's direction and supervision.

Subd. 4. Any qualified person may use legend drugs in the course of a bona fide research project, but cannot administer or dispense such drugs to human beings unless such drugs are prescribed, dispensed, and administered by a person lawfully authorized to do so.

Subd. 5. Nothing in this chapter shall prohibit the sale to, or the possession of, a legend drug by licensed drug wholesalers, licensed manufacturers, registered pharmacies, local detoxification centers, licensed hospitals, bona fide hospitals wherein animals are treated, or licensed pharmacists and licensed practitioners while acting within the course of their practice only.

Subd. 6. Nothing in this chapter shall prohibit the possession of a legend drug by *an employee, agent, or sales representative of a registered drug manufacturer, or an employee or agent of a licensed manufacturer, licensed registered drug wholesaler, or registered pharmacy, while acting in the course of employment.*

Subd. 7. Nothing in this chapter shall prohibit the possession of a legend drug by a person for that person's use when it has been dispensed to the person ~~pursuant to~~ *in accordance with* a written or oral prescription by a practitioner.

Subd. 8. It ~~shall be~~ *is* unlawful for ~~any~~ a person to procure, attempt to procure, possess, or control a legend drug by any of the following means:

- ~~(a)~~ (1) deceit, misrepresentation, or subterfuge;
- ~~(b)~~ (2) using a false name; *or*
- ~~(c)~~ (3) falsely assuming the title of, or falsely representing ~~any~~ a person to be a manufacturer, wholesaler, pharmacist, practitioner, or other authorized person for the purpose of obtaining a legend drug.

Subd. 9. Nothing in this chapter shall prohibit the possession of a legend drug by an employee or agent of a registered analytical laboratory while acting in the course of laboratory employment.

Sec. 21. [REPEALER.]

Minnesota Statutes 1986, sections 151.01, subdivision 4; 151.06, subdivision 2a; 151.11; 151.28; and 151.31, are repealed."

Delete the title and insert:

"A bill for an act relating to occupations and professions; amending the laws regulating the practice of pharmacy; providing definitions; providing for registration of pharmacies, drug manufacturers, and others; providing for licensing of pharmacists; providing remedies for violations; amending Minnesota Statutes 1986, sections 151.01, subdivision 2, and by adding subdivisions; 151.04; 151.06, subdivision 1; 151.101; 151.15; 151.19;

151.211; 151.212, subdivision 1, and by adding a subdivision; 151.25; 151.26, subdivision 1; 151.32; 151.34; and 151.37; proposing coding for new law in Minnesota Statutes, chapter 151; repealing Minnesota Statutes 1986, sections 151.01, subdivision 4; 151.06, subdivision 2a; 151.11; 151.28; and 151.31."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 2365: A bill for an act relating to human services; planning for the Faribault regional center; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 246.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [246.024] [FARIBAULT REGIONAL CENTER.]

Subdivision 1. [TASK FORCE.] The director of the state planning agency shall appoint a 13-member task force to develop a plan to expand the use of the Faribault regional center. The task force shall include four community representatives and one representative from each of the following entities: Faribault regional center, Faribault technical institute, Faribault public schools, Academies for the Deaf and Blind, Wilson Center, Rice county, city of Faribault, Rice county district No. 1 hospital, and the department of human services.

Subd. 2. [DUTIES OF DIRECTOR.] The director of the state planning agency shall provide a grant for a Faribault community task force to develop a plan for the future use of Faribault regional center. The plan must assess the feasibility of providing educational services, nonresidential services, and care to a number of populations including, but not limited to, adolescents, veterans, and people who have developmental disabilities, chemical dependency, mental illness, or communicable diseases.

Subd. 3. [REPORT.] The Faribault community task force must report the plan to the chairs of the health and human services committees of the house of representatives and senate by November 1, 1988. The report must include a list of recommended services to be provided at Faribault regional center and must evaluate each recommendation.

Sec. 2. [APPROPRIATION.]

\$75,000 is appropriated from the general fund to the director of the state planning agency for the purposes of section 1 and is available until expended.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective the day following final enactment."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 2297: A bill for an act relating to health; establishing two studies concerning blood lead levels in American Indian children and in pregnant women; appropriating money.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [LEAD CONTAMINATION; DEMONSTRATION PROJECTS.]

The department of health shall fund and participate in a two-year demonstration project to be undertaken by an organization serving a population at risk from lead contamination to monitor blood lead levels in pregnant women, provide information to pregnant patients about how to avoid high blood lead levels, and to provide intervention for pregnant patients whose blood lead levels exceed 12 micrograms per deciliter. The purpose of the project is to establish an effective prototype method of monitoring, education, and intervention to prevent or reduce high blood lead levels in pregnant women. By November 1, 1990, the center and the department shall report to the legislature on the outcome of the project.

The department shall also fund a project for the purpose of demonstrating the impact on blood lead levels in children of lead cleanup of soil, dust, and interior and exterior paint, and use of educational materials on proper handling of lead paint removal and cleanup. The project must be undertaken by a community based organization and must include:

(1) neighborhood involvement and an educational community outreach component;

(2) a cost-benefit analysis;

(3) planning for a centrally located information and educational center to serve the community; and

(4) a final evaluation of the effectiveness of the project based on routes of exposure, statistical design of the project, and geographical distribution. The project must include cleanup of lead contamination in a targeted portion of a neighborhood with known lead contamination. Cleanup includes soil removal and replacement, landscaping, and removal of loose paint. The department shall test children who reside in the project area before cleanup and one year following cleanup for blood lead levels. The evaluation required as part of the project must be presented to the legislature by January 1, 1990.

Sec. 2. [APPROPRIATION.]

\$99,098 is appropriated from the general fund to the commissioner of health for the maternity care demonstration project on blood lead levels.

\$150,000 is appropriated from the general fund to the commissioner of health for the lead contaminated soil and lead paint cleanup demonstration project.

The appropriations are available until spent."

Delete the title and insert:

"A bill for an act relating to health; establishing a demonstration project concerning blood lead levels in pregnant women and a demonstration project on soil lead cleanup; appropriating money."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 1274: A bill for an act relating to human services; requiring medical assistance payment for personal care attendant services to hospitalized ventilator-dependent recipients; amending Minnesota Statutes 1986, section 256B.02, subdivision 8.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [256B.64] [ATTENDANTS TO VENTILATOR-DEPENDENT RECIPIENTS.]

A ventilator-dependent recipient of medical assistance who has been receiving the services of a private duty nurse or personal care assistant in the recipient's home may continue to have a private duty nurse or personal care assistant present upon admission to a hospital licensed under chapter 144. Subject to the patient's rights under section 144.651, the hospital, physicians and hospital staff, consistent with the standards of care in the medical community, shall, while the patient is hospitalized, at all times retain final decision-making authority and otherwise retain responsibility for the care and treatment of the ventilator-dependent patient. The personal care assistant or private duty nurse shall perform the services of communicator or interpreter for the ventilator-dependent patient during a transition period of up to 120 hours to assure adequate training of the hospital staff to communicate with the patient and to understand the unique comfort, safety and personal care needs of the patient. The personal care assistant or private duty nurse may offer nonbinding advice to the health care professionals in charge of the ventilator-dependent patient's care and treatment on matters pertaining to the comfort and safety of the patient. After the 120 hour transition period, an assessment may be made by the ventilator-dependent patient, the attending physician and the patient's primary care nurse to determine whether continued services of communicator or interpreter for the patient by the private duty nurse or personal care assistant are necessary and appropriate for the patient's needs. If continued service is necessary and appropriate, the physician must certify this need to the commissioner of human services in order to continue payments. The commissioner may adopt rules necessary to implement this section.

Sec. 2. [APPROPRIATION.]

\$. is appropriated from the general fund to the commissioner of human services for the biennium ending June 30, 1989, to provide reimbursement to the personal care assistants or private duty nurses for their services provided in a hospital under section 1 at the payment rate and in a manner consistent with the payment rate and manner used in reimbursing these providers for home care services for the ventilator-dependent recipient."

Delete the title and insert:

"A bill for an act relating to human services; providing for continued attendant services for ventilator-dependent recipients in hospitals; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 256B."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 1327: A bill for an act relating to marriage dissolution; providing for shared care of minor children; changing certain support and maintenance provisions; amending Minnesota Statutes 1986, sections 518.003, subdivision 3; 518.005, subdivision 2; 518.03; 518.10; 518.131, subdivisions 1, 2, 3, 6, and 7; 518.155; 518.156; 518.165, subdivisions 1 and 2; 518.166; 518.167, subdivisions 1 and 2; 518.168; 518.17, subdivisions 1, 3, and by adding a subdivision; 518.171, subdivision 6; 518.175; 518.176; 518.177; 518.18; 518.185; 518.55, subdivision 1, and by adding a subdivision; 518.551, subdivisions 5 and 6; 518.552, subdivisions 1, 2, and by adding a subdivision; 518.612; 518.619, subdivisions 1, 3, and 4; 518.62; 518.63; and 518.64, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 518; repealing Minnesota Statutes 1986, sections 518.17, subdivisions 2 and 6; and 518.552, subdivision 3.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 518.551, subdivision 5, is amended to read:

Subd. 5. [NOTICE TO PUBLIC AUTHORITY; GUIDELINES.] (a) The petitioner shall notify the public authority of all proceedings for dissolution, legal separation, determination of parentage or for the custody of a child, if either party is receiving aid to families with dependent children or applies for it subsequent to the commencement of the proceeding. After receipt of the notice, the court shall set child support as provided in this subdivision. The court may order either or both parents owing a duty of support to a child of the marriage to pay an amount reasonable or necessary for the child's support, without regard to marital misconduct. The court shall approve a child support agreement of the parties if each party is represented by independent counsel, unless the agreement is not in the interest of justice. In other cases the court shall order child support in accordance with the guidelines and the other factors set forth in paragraph (b) and any departure therefrom.

The court shall multiply the obligor's net income by the percentage indicated by the following guidelines:

Net Income Per Month of Obligor	Number of Children						
	1	2	3	4	5	6	7 or more
\$400 and Below	Order based on the ability of the obligor to provide support at these income levels, or at higher						

	levels, if the obligor has the earning ability.						
\$401 - 500	14%	17%	20%	22%	24%	26%	28%
\$501 - 550	15%	18%	21%	24%	26%	28%	30%
\$551 - 600	16%	19%	22%	25%	28%	30%	32%
\$601 - 650	17%	21%	24%	27%	29%	32%	34%
\$651 - 700	18%	22%	25%	28%	31%	34%	36%
\$701 - 750	19%	23%	27%	30%	33%	36%	38%
\$751 - 800	20%	24%	28%	31%	35%	38%	40%
\$801 - 850	21%	25%	29%	33%	36%	40%	42%
\$851 - 900	22%	27%	31%	34%	38%	41%	44%
\$901 - 950	23%	28%	32%	36%	40%	43%	46%
\$951 - 1000	24%	29%	34%	38%	41%	45%	48%
\$1001- 4000	25%	30%	35%	39%	43%	47%	50%

Guidelines for support for an obligor with a monthly income of \$4001 or more shall be the same dollar amounts as provided for in the guidelines for an obligor with a monthly income of \$4000.

Net Income defined as:

Total monthly
income less

- *(i) Federal Income Tax
- *(ii) State Income Tax
- (iii) Social Security
Deductions
- (iv) Reasonable
Pension Deductions

*Standard
Deductions apply-
use of tax tables
recommended

- (v) Union Dues
- (vi) Cost of Dependent
Insurance Coverage
- (vii) Cost of Individual or Group
Health/Hospitalization Coverage or an
Amount for Actual Medical Expenses
- (viii) A Child Support or Maintenance Order
that is Currently Being Paid.

"Net income" does not include the income of the obligor's spouse.

(b) In addition to the child support guidelines, the court shall take into consideration the following factors in setting or modifying child support:

(1) all earnings, income, and resources of the parents, including real and personal property;

(2) the financial needs and resources, physical and emotional condition, and educational needs of the child or children to be supported;

(3) the standards of living the child would have enjoyed had the marriage not been dissolved *but recognizing that the parents now have separate households*;

(4) the amount of the aid to families with dependent children grant for the child or children; ~~and~~

(5) *which parent receives the income taxation dependency exemption and what financial benefit the parent receives from it; and*

(6) the parents' debts as provided in paragraph (c).

(c) In establishing or modifying a support obligation, the court may consider debts owed to private creditors or *tax liabilities owed to a unit of government*, but only if:

(1) the right to support has not been assigned under section 256.74;

(2) the court determines that the debt was reasonably incurred for necessary support of the child or parent ~~or~~, for the necessary generation of income, *or to pay past tax liabilities*. If the debt was incurred for the necessary generation of income, the court shall consider only the amount of debt that is essential to the continuing generation of income; and

(3) ~~the either party requesting a departure~~ produces a sworn schedule of the debts, with supporting documentation, showing goods or services purchased, the recipient of them, the amount of the original debt, the outstanding balance, the monthly payment, and the number of months until the debt will be fully paid.

Any schedule prepared under paragraph (c), clause (3), shall contain a statement that the debt will be fully paid after the number of months shown in the schedule, barring emergencies beyond the party's control.

Any further ~~departure below the guidelines~~ *decrease in child support* that is based on a consideration of debts owed to private creditors shall not exceed 18 months in duration, after which the support shall increase automatically to the level ordered by the court. Nothing in this section shall be construed to prohibit one or more step increases in support to reflect debt retirement during the 18-month period.

Where payment of debt is ordered pursuant to this section, the payment shall be ordered to be in the nature of child support.

(d) Nothing shall preclude the court from receiving evidence on the above factors to determine if the guidelines should be exceeded or modified in a particular case.

(e) The above guidelines are binding in each case unless the court makes express findings of fact as to the reason for departure below or above the guidelines.

Sec. 2. Minnesota Statutes 1986, section 518.552, subdivision 1, is amended to read:

Subdivision 1. In a proceeding for dissolution of marriage or legal separation, or in a proceeding for maintenance following dissolution of the marriage by a court which lacked personal jurisdiction over the absent spouse and which has since acquired jurisdiction, the court may grant a maintenance order for either spouse if it finds that the spouse seeking maintenance:

(a) lacks sufficient property, including marital property apportioned to the spouse, to provide for reasonable needs of the spouse considering the *duration of the marriage and the standard of living established during the marriage*, especially, but not limited to, a period of training or education, or

(b) is unable to provide adequate self-support, after considering the *duration of the marriage and the standard of living established during the marriage* and all relevant circumstances, through appropriate employment, or is the custodian of a child whose condition or circumstances make it appropriate that the custodian not be required to seek employment outside

the home.

Sec. 3. Minnesota Statutes 1986, section 518.552, subdivision 2, is amended to read:

Subd. 2. The maintenance order shall be in amounts and for periods of time, either temporary or permanent, as the court deems just, without regard to marital misconduct, and after considering all relevant factors, including *the following*:

(a) the financial resources of the party seeking maintenance, including marital property apportioned to the party, and the party's ability to meet needs independently, including the extent to which a provision for support of a child living with the party includes a sum for that party as custodian;

(b) the time necessary to acquire sufficient education or training to enable the party seeking maintenance to find appropriate employment, and the probability, given the party's age and skills, of completing education or training and becoming fully or partially self-supporting;

(c) the standard of living established during the marriage;

(d) the duration of the marriage and, in the case of a homemaker, the length of absence from employment and the extent to which any education, skills, or experience have become outmoded and earning capacity has become permanently diminished;

(e) the loss of earnings, seniority, retirement benefits, and other employment opportunities forgone by the spouse seeking spousal maintenance;

(f) the age, and the physical and emotional condition of the spouse seeking maintenance;

(g) the ability of the spouse from whom maintenance is sought to meet needs while meeting those of the spouse seeking maintenance; and

(h) the contribution of each party in the acquisition, preservation, depreciation, or appreciation in the amount or value of the marital property, as well as the contribution of a spouse as a homemaker or in furtherance of the other party's employment or business."

Delete the title and insert:

"A bill for an act relating to marriage dissolution; changing certain support and maintenance provisions; amending Minnesota Statutes 1986, sections 518.551, subdivision 5; and 518.552, subdivisions 1 and 2."

And when so amended the bill do pass and be re-referred to the Committee on Judiciary. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 2263: A bill for an act relating to health; providing a state administered insurance program for persons without health care coverage; requiring premiums on a sliding fee basis; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 256H.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [256H.01] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For the purposes of this chapter, the terms defined in this section have the meanings given them.

Subd. 2. [COMMISSIONER.] "Commissioner" means the commissioner of human services:

Subd. 3. [ELIGIBLE PERSON.] "Eligible person" means an individual who meets the requirements of section 4 and the rules adopted by the commissioner.

Subd. 4. [HEALTH PLAN.] "Health plan" means a health insurance company regulated under chapter 62A, a nonprofit health service plan corporation regulated under chapter 62C, or a health maintenance organization regulated under chapter 62D.

Subd. 5. [HEALTHSPAN.] "Healthspan" means the health care program for eligible persons administered by the commissioner under this chapter.

Sec. 2. [256H.02] [HEALTHSPAN CONTRACTS WITH HEALTH PLANS.]

The commissioner shall solicit bids and negotiate and contract with one or more health plans to provide health coverage to persons eligible for healthspan. The commissioner may negotiate separate contracts to cover eligible persons who are in need of, and receive, immediate medical treatment but who are not yet covered by a healthspan health plan. Contracts to manage enrollment and plan selection must be bid or negotiated separately from contracts with health plans. When awarding contracts, the commissioner shall consider the cost of the plans; conversion options relating to the contracts; service capabilities; character, financial position, and reputation of the health plans; and other factors the commissioner considers appropriate. Health plan contracts must be for a term of at least one year but may be made automatically renewable from term to term in the absence of notice of termination by either party. The commissioner shall, to the extent feasible, offer to eligible persons a choice of health plans. The commissioner may offer only one plan in an area of the state if only one acceptable bid exists or if offering more than one would result in substantial, additional administrative costs. Payments from the state to a health plan under this chapter are exempt from the tax imposed by section 60A.15 and are not included in a health plan's premiums for the purposes of assessments under section 62E.11.

Sec. 3. [256H.03] [BENEFITS.]

Healthspan health plans must provide benefits at least equal to a number two qualified plan as specified in section 62E.06, subdivision 2, or Medicare supplement 1 + coverage as specified in section 62A.32. A healthspan contract must not deny coverage for a preexisting condition. A policy or evidence of coverage issued to an eligible person under this section must contain a detailed statement of benefits offered, including any maximums, limitations, exclusions, and other definitions of benefits the commissioner considers necessary or desirable.

Sec. 4. [256H.04] [ELIGIBILITY.]

Subdivision 1. [ELIGIBLE PERSONS.] A Minnesota resident is eligible for healthspan if the resident is not covered by a policy, plan, or contract of health coverage regulated under chapter 62A, 62C, or 62D, and is not

eligible for medical assistance, general assistance medical care, an employment-based insurance program, or other subsidized health insurance program. Eligible persons who need immediate medical treatment must be covered under the program from the time they first seek treatment. The time, manner, conditions, and terms of eligibility for enrollment in the program shall be determined by the commissioner in rule.

Subd. 2. [REDETERMINATION OF ELIGIBILITY AND PREMIUM.] The commissioner shall redetermine a person's eligibility and share of the premium every six months while the person is enrolled in the program.

Sec. 5. [256H.05] [PAYMENT OF PREMIUMS.]

An eligible person must pay a portion of the premium for healthspan coverage according to an income based sliding fee scale adopted by the commissioner in rule. The commissioner shall pay the remainder of the premium. A person whose income is greater than 250 percent of the federal poverty income guidelines for a family of the same size must pay the entire premium. Terms of payment of premiums by the commissioner and enrollee must be specified in the contract.

Sec. 6. [256H.06] [SOLICITATION OF ELIGIBLE PERSONS.]

The commissioner shall disseminate appropriate information to state residents about the existence of the program and how to apply. The commissioner shall devise and implement methods to maintain public awareness of the healthspan program and shall administer this chapter in a manner that facilitates public participation.

Sec. 7. [IMPLEMENTATION PLAN; REPORT.]

The commissioner, in consultation with the commissioners of health and commerce, shall develop a plan to implement the program. The plan must include at least the following:

- (1) estimates of the number of people eligible for the program, the expected number of individuals who will enroll, and the costs of the program;*
- (2) a description of benefits to be offered;*
- (3) recommendations for methods to determine eligibility and collect premiums;*
- (4) strategies for contracting and marketing;*
- (5) strategies to preserve and enhance employer participation in the provision of health care coverage;*
- (6) strategies to coordinate or merge the program with health care programs such as general assistance medical care, the university hospital papers program at the University of Minnesota hospitals, Minnesota comprehensive health association, medical assistance, Medicare, the catastrophic health expense protection program, the children's health plan, and other similar programs;*
- (7) timelines for implementing the program, with specific implementation plans for the 1989-1991 biennium;*
- (8) methods of financing the program; and*
- (9) recommendations for legislation to implement the program.*

The commissioner shall report to the legislature by January 1, 1989,

on options to implement the program.

Sec. 8. [APPROPRIATION.]

\$50,000 is appropriated from the general fund to the commissioner of human services to develop the plan and prepare the report required under section 7.

Sec. 9. [EFFECTIVE DATE.]

Sections 1 to 6 are effective July 1, 1989. Sections 7 and 8 are effective July 1, 1988."

Delete the title and insert:

"A bill for an act relating to health; creating a state-administered insurance program for persons without health care coverage; requiring premiums on a sliding fee basis; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 256H."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 1933: A bill for an act relating to human services; regarding rates for day training and habilitation services; amending Minnesota Statutes 1986, section 256B.501, by adding a subdivision; Minnesota Statutes 1987 Supplement, section 252.46, subdivision 6, and by adding subdivisions.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1987 Supplement, section 252.46, subdivision 5, is amended to read:

Subd. 5. [SUBMITTING RECOMMENDED RATES.] The county board shall submit recommended payment rates to the commissioner on forms supplied by the commissioner ~~by November 1, 1987, and~~ at least 60 days before revised payment rates or payment rates for new vendors are to be effective. The forms must require the county board's written verification of the individual documentation required under section 252.44, clause (a). If the number of days of service provided by a licensed vendor are projected to increase, the county board must recommend payment rates based on the projected increased days of attendance and resulting lower per unit fixed costs. *Recommended increases in payment rates for vendors whose approved payment rates are ten or more than ten percent below the statewide median payment rates must be equal to the maximum increases allowed for that vendor under subdivision 3.* If a vendor provides services at more than one licensed site, the county board may recommend the same payment rates for each site based on the average rate for all sites. The county board may also recommend differing payment rates for each licensed site if it would result in a total annual payment to the vendor that is equal to or less than the total annual payment that would result if the average rates had been used for all sites. For purposes of this subdivision, the average payment rate for all service sites used by a vendor must be computed by adding the

amounts that result when the payment rates for each licensed site are multiplied by the projected annual number of service units to be provided at that site and dividing the sum of those amounts by the total units of service to be provided by the vendor at all sites.

Sec. 2. Minnesota Statutes 1987 Supplement, section 252.46, subdivision 6, is amended to read:

Subd. 6. [VARIANCES.] A variance from the minimum or maximum payment rates in subdivisions 2 and 3 may be granted by the commissioner when the vendor requests and the county board submits to the commissioner a written variance request with the recommended payment rates. *A variance may be utilized for costs associated with compliance with state administrative rules, compliance with court orders, increased insurance costs, start-up and conversion costs for supported employment, direct service staff salaries, and transportation.* The county board shall review all vendors' payment rates that are ~~20 ten or more than ten percent~~ lower than the average rates for the regional development commission district to which the county belongs statewide median payment rates. If the county determines that the payment rates do not provide sufficient revenue to the vendor for authorized service delivery the county must recommend a variance under this section. ~~This review must occur prior to November 1, 1987.~~ When the county board contracts for increased services from any vendor for some or all individuals receiving services from the vendor, the county board shall review the vendor's payment rates to determine whether the increase requires that a variance to the minimum rates be recommended under this section to reflect the vendor's lower per unit fixed costs. The written variance request must include documentation that all the following criteria have been met:

(1) The commissioner and the county board have both conducted a review and have identified a need for a change in the payment rates to ~~change the number of direct service staff or the level of qualifications of the staff.~~

(2) The proposed changes are required for the vendor to deliver authorized individual services in an effective and efficient manner.

(3) The proposed changes *are necessary to demonstrate compliance with minimum licensing standards governing minimum staffing ratios and staff qualifications.*

(4) The vendor documents that the ~~change in staff numbers or qualifications changes~~ cannot be achieved by reallocating current staff or by reallocating financial resources to ~~provide or purchase the necessary services.~~

(5) The county board submits evidence that the need for additional staff cannot be met by using temporary special needs rate exceptions under Minnesota Rules, parts 9510.1020 to 9510.1140.

(6) The county board submits a description of the nature and cost of the proposed changes, *and how the county will monitor the use of funds by the vendor to make necessary changes in services. Allowable costs are limited to salaries, related fringe benefits, and payroll taxes.*

(7) The county board's recommended payment rates do not exceed 125 percent of the ~~average current calendar year's statewide median payment rates in the regional development commission district in which the vendor is located.~~

Sec. 3. Minnesota Statutes 1987 Supplement, section 252.46, is amended

by adding a subdivision to read:

Subd. 13. [REVIEW AND REVISION OF PROCEDURES FOR RATE EXCEPTIONS FOR VERY DEPENDENT PERSONS WITH SPECIAL NEEDS.] The commissioner shall review the procedures established in Minnesota Rules, parts 9510.1020 to 9510.1140, that counties must follow to seek authorization for a medical assistance rate exception for services for very dependent persons with special needs. The commissioner shall appoint an advisory task force to work with the commissioner. Members of the task force must include vendors, providers, advocates, and consumers. After considering the recommendations of the advisory task force and county rate setting procedures developed under this section, the commissioner shall:

(1) revise administrative procedures as necessary;

(2) implement new review procedures for county applications for medical assistance rate exceptions for services for very dependent persons with special needs in a manner that accounts for services available to the person within the approved payment rates of the vendor;

(3) provide training and technical assistance to vendors, providers, and counties in use of procedures governing medical assistance rate exceptions for very dependent persons with special needs and in county rate setting procedures established under this subdivision; and

(4) develop a strategy and implementation plan for uniform data collection for use in establishing equitable payment rates and medical assistance rate exceptions for services provided by vendors.

Sec. 4. Minnesota Statutes 1987 Supplement, section 252.46, is amended by adding a subdivision to read:

Subd. 14. [PILOT STUDY.] The commissioner may initiate a pilot payment rate system designed in accordance with section 252.47. The pilot project may include establishment of training and demonstration sites. The pilot payment rate system must include actual transfers of money, not simulated transfers. The pilot payment rate system may involve up to four counties and four vendors representing different geographic regions and rates of reimbursement. Participation in the pilot project must be voluntary. Selection of participants by the commissioner must be based on the vendor's submission of a complete application form provided by the commissioner. The application must include letters of agreement from the host county, counties of financial responsibility, and residential service providers. Evaluation of the pilot project must include consideration of the effectiveness of procedures governing establishment of equitable payment rates. Date of implementation of the pilot payment rate system must be contingent upon federal approval and systems feasibility. The policies and procedures governing administration, participation, evaluation, service utilization, and payment for services under the pilot payment rate system are not subject to the rulemaking requirements of chapter 14.

Sec. 5. [COMPLEMENT.]

The approved complement of the department of human services is increased by one full-time equivalent position for purposes of sections 1 to 3. The approved complement of the department of human services is increased by two temporary full-time equivalent positions for purposes of implementing section 4.

Sec. 6. [APPROPRIATION.]

§ is appropriated to the commissioner of human services for the purposes of sections 1 to 5."

Delete the title and insert:

"A bill for an act relating to human services; revising procedures used for establishing rates for day training and habilitation services for persons with mental retardation or a related condition; authorizing a pilot study; appropriating money; amending Minnesota Statutes 1987 Supplement, section 252.46, subdivisions 5 and 6, and by adding subdivisions."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred.

S.F. No. 1838: A bill for an act relating to insurance; accident and health; requiring coverage for routine diagnostic procedures for cancer; proposing coding for new law in Minnesota Statutes, chapter 62A.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 23, delete "*diagnostic*" and insert "*screening*"

Page 1, line 24, delete "*recommended*" and insert "*ordered or performed*" and before the period, insert "*in accordance with the standard practice of medicine*"

Page 1, after line 24, insert:

"Sec. 2. [299F47] [CITATION.]

Sections 2 to 5 may be cited as the "cigarette fire safety act."

Sec. 3. [299F48] [FINDINGS AND PURPOSE.]

The legislature finds and declares that fires ignited by cigarettes and little cigars cause unnecessary personal injuries and death and severe loss of property. The legislature also finds and declares that prohibiting the sale of cigarettes and little cigars that do not meet certain fire safety standards will reduce fires ignited by cigarettes and little cigars.

Sec. 4. [299F49] [DEFINITIONS.]

Subdivision 1. [SCOPE.] The terms used in sections 2 to 5 have the meanings given them in this section.

Subd. 2. [CIGARETTE.] "Cigarette" means any roll of tobacco that may be used for smoking and:

(1) that is wrapped in paper or other substance not containing tobacco; or

(2) that is wrapped in any substance containing tobacco and that, because of its appearance, the type of tobacco used in the filler, or its packaging and labeling, is likely to be offered to, or purchased by, consumers as a cigarette; and

(3) the package of which is required to bear a surgeon general's warning pursuant to United States Code, title 15, section 1333.

Subd. 3. [LITTLE CIGAR.] "Little cigar" means a roll of tobacco that may be used for smoking, that is wrapped in leaf tobacco or any substance containing tobacco, and that has a weight of not more than three pounds for 1,000 units.

Sec. 5. [299F50] [CIGARETTE FIRE SAFETY STANDARDS.]

Subdivision 1. [SALE PROHIBITED.] Cigarettes and little cigars not meeting the fire safety standards adopted by the commissioner of public safety may not be sold in this state.

Subd. 2. [RULES; CRITERIA.] The commissioner of public safety shall adopt rules specifying fire safety standards for cigarettes and little cigars. The commissioner must adopt rules under this subdivision by July 1, 1990. Any standard adopted by the commissioner under this subdivision may be reconsidered if a federal standard which has gone through inter-laboratory evaluation has been developed.

Subd. 3. [EXEMPTION.] A cigarette may be exempted from compliance with this standard if the manufacturer can demonstrate to the commissioner that it is technically not feasible to comply with the standard without exceeding the toxicity of existing commercially available cigarettes.

Sec. 6. [EFFECTIVE DATE.]

Sections 2 to 4, and 5, subdivisions 2 and 3, are effective July 1, 1988. Section 5, subdivision 1, is effective July 1, 1991."

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "establishing the cigarette fire safety act; prohibiting the sale of cigarettes and little cigars that do not meet certain standards for fire safety;"

Page 1, line 5, delete "chapter" and insert "chapters" and before the period, insert "; and 299F"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

H.F No. 2039: A bill for an act relating to corrections; making various housekeeping and technical changes; amending Minnesota Statutes 1986, sections 260.311, subdivisions 1, 2, 3, and 5; 401.01, subdivision 2; and 401.04.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 11, before "If" insert "(a)"

Page 2, line 20, delete "When" and strike "employed by the"

Page 2, line 21, strike "commissioner,"

Page 2, line 25, delete the new language

Page 2, delete lines 26 to 36

Page 3, line 1, delete "employees."

Page 3, line 3, delete the period and insert a semicolon

Page 3, after line 6, insert:

“(b) The commissioner of employee relations shall place employees transferred to state service under paragraph (a), clause (4), in the proper classifications in the classified service. Each employee is appointed without examination at no loss in salary or accrued vacation or sick leave benefits, but no additional accrual of vacation or sick leave benefits may occur until the employee’s total accrued vacation or sick leave benefits fall below the maximum permitted by the state for the employee’s position. An employee appointed under paragraph (a), clause (4), shall serve a probationary period of six months. After exhausting labor contract remedies, a noncertified employee may appeal for a hearing within ten days to the commissioner of employee relations, who may uphold the decision, extend the probation period, or certify the employee. The decision of the commissioner of employee relations is final. The state shall negotiate with the exclusive representative for the bargaining unit to which the employees are transferred regarding their seniority.”

Page 7, line 24, after the first comma, insert “*paragraph (a),*”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

S.F. No. 2059: A bill for an act relating to state agencies; amending, enacting and repealing certain laws administered by the department of administration; appropriating money; amending Minnesota Statutes 1986, sections 16A.41, subdivision 1; 16B.07, subdivisions 2 and 3; 16B.08, subdivision 4; 16B.09, subdivision 3; 16B.28; 16B.42, subdivision 1; 16B.48, subdivision 2; 16B.54, subdivision 8; 16B.55, subdivisions 3 and 6; 16B.65, subdivision 3; 16B.85; 94.12; 214.07, subdivision 1; and 382.153; Minnesota Statutes 1987 Supplement, sections 16B.09, subdivision 1; 16B.67; 115A.15, subdivision 6; and 168.012, subdivision 1; Laws 1987, chapters 365, section 24; and 404, section 16, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 16B; repealing Minnesota Statutes 1986, sections 15.38; 16B.29; and 214.07, subdivision 2.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 19, insert:

“Section 1. Minnesota Statutes 1986, section 3.9223, subdivision 5, is amended to read:

Subd. 5. [POWERS.] The council shall have power to contract in its own name. Contracts shall be approved by a majority of the members of the council and executed by the chair and the executive director. The council may apply for, receive, and expend in its own name grants and gifts of money consistent with the power and duties specified in this section.

The council shall appoint, subject to the approval of the governor, an executive director who shall be experienced in administrative activities and familiar with the problems and needs of Spanish-speaking people. The council may delegate to the executive director any powers and duties under this section which do not require council approval. The executive director and council staff shall serve in the unclassified service. The executive

director may be removed at any time by a majority vote of the entire council. The executive director shall recommend to the council the appropriate staffing patterns necessary to carry out its duties. The commissioner of administration shall provide the council with necessary administrative services, and the council shall reimburse the commissioner for the cost of these services.

Sec. 2. Minnesota Statutes 1986, section 15.0591, subdivision 2, is amended to read:

Subd. 2. [BODIES AFFECTED.] A member meeting the qualifications in subdivision 1 shall ~~shall~~ *must* be appointed to the following boards, commissions, advisory councils, task forces, or committees:

- (1) advisory council on battered women;
- (2) advisory task force on the use of state facilities;
- (3) alcohol and other drug abuse advisory council;
- (4) board for community colleges;
- (5) board of examiners for nursing home administrators;
- (6) (5) board on aging;
- (7) (6) chiropractic examiners board;
- (8) (7) consumer advisory council on vocational rehabilitation;
- (9) (8) council for the handicapped;
- (10) (9) council on affairs of Spanish-speaking people;
- (11) (10) council on black Minnesotans;
- (12) (11) dentistry board;
- (13) (12) department of jobs and training advisory council;
- (14) (13) higher education coordinating board;
- (15) (14) housing finance agency;
- (16) (15) Indian advisory council on chemical dependency;
- (17) (16) medical examiners board;
- (18) (17) medical policy directional task force on mental health;
- (19) (18) Minnesota employment and economic development task force;
- (20) (19) Minnesota office of volunteer services advisory committee;
- (21) (20) Minnesota state arts board;
- (22) (21) mortuary sciences advisory council;
- (23) (22) nursing board;
- (24) (23) optometry board;
- (25) (24) pharmacy board;
- (26) (25) physical therapists council;
- (27) (26) podiatry board;
- (28) (27) psychology board;

(29) (28) veterans advisory committee.”

Page 4, after line 19, insert:

“Sec. 10. Minnesota Statutes 1986, section 16B.27, subdivision 3, is amended to read:

Subd. 3. [COUNCIL.] The governor’s residence council consists of the following 15 members: the commissioner; the spouse, or a designee of the governor; the executive director of the Minnesota state arts board; the director of the Minnesota historical society; a member of the senate appointed pursuant to the rules of the senate; a member of the house of representatives appointed pursuant to the rules of the house of representatives; seven persons appointed by the governor including one in the field of higher education, one member of the American Society of Interior Designers, Minnesota Chapter, one member of the American Institute of Architects, Minnesota chapter, one member of the American Society of Landscape Architects, Minnesota Chapter, one member of the family that donated the governor’s residence to the state, if available, and four public members. Members of the council serve without compensation. Membership terms, removal, and filling of vacancies for members appointed by the governor are governed by section 15.0575. The council shall elect a chair and a secretary from among its members. The council ~~shall does not expire on the date provided by section 15.059, subdivision 5.~~”

Page 5, line 4, before “surplus” insert “federal”

Page 5, line 6, after “by” insert “state and”

Page 5, lines 11 and 28, after “warehouse” insert a comma

Page 5, line 19, after the period, insert “*Federal surplus property that has been transferred to the state for donation to public agencies and nonprofit organizations must be transferred or sold in accordance with the plan developed under paragraph (d).*”

Page 5, line 31, after “warehousing” insert a comma

Page 5, after line 32, insert:

“(d) *The commissioner shall develop a detailed plan for disposal of donated federal property in conformance with state law and federal regulations. The plan must be submitted to the governor for certification and submission to the federal administrator of general services.*”

Page 6, line 1, delete “A” and insert “The”

Page 6, line 2, delete “created” and insert “a separate fund”

Page 6, line 7, after “acquired” insert a comma and after “warehoused” insert a comma

Page 7, line 4, after “warehousing” insert a comma

Page 7, line 9, after “materials” insert a comma

Page 11, line 11, after “(2)” delete the new language and insert “, or both of them,”

Page 12, line 26, before “A” insert “(a) *The state may self-insure against casualty claims through*”

Page 12, line 27, strike “is created”

Page 13, line 13, delete "(1)" and insert "(b)"

Page 13, line 17, delete "(2)" and insert "(c)"

Page 13, line 19, delete "their" and insert "its"

Page 13, line 21, delete "(3)" and insert "(d)"

Page 13, line 25, delete "(4)" and insert "(e)"

Page 13, line 28, delete "(5)" and insert "(f)"

Page 16, after line 12, insert:

"Sec. 22. Minnesota Statutes 1986, section 136.61, subdivision 1, is amended to read:

Subdivision 1. The state board for community colleges shall consist consists of nine members appointed by the governor with the advice and consent of the senate. ~~They shall be selected for their knowledge of, and interest in community colleges of Minnesota.~~ One member shall be a full-time student at a community college at the time of appointment or shall have been a full-time student at a community college within one year before appointment to the state board for community colleges. Other than the student or recent graduate member, at least one member shall be a resident of each congressional district ~~and two members shall be graduates of a community college in this state.~~ In making appointments to the board, the governor shall recognize the mission of the community college system and attempt to reflect the groups served by the mission.

Sec. 23. Minnesota Statutes 1986, section 136.622, is amended to read:

136.622 [COMPUTER SALES AND MAINTENANCE TECHNICAL EQUIPMENT.]

Subdivision 1. [PROPRIETARY PURCHASES.] Technical educational equipment may be procured for the state community colleges on request of the state board for community colleges either by brand designation or in accordance with standards and specifications the board may promulgate, notwithstanding chapter 16B.

Subd. 2. [COMPUTER SALES AND SUPPORT.] The state board for community colleges may sell computers and related products to its staff and students to advance their instructional and research abilities. The board shall contract with a private vendor for service, maintenance, and support for computers and related products sold by the board.

Sec. 24. Minnesota Statutes 1986, section 136.67, subdivision 2, is amended to read:

Subd. 2. The state community college board may establish activity funds, ~~except for dormitory purposes,~~ and imprest cash funds, waive tuition charges, and act as agent and accept the benefits of Public Law Number 88-452, known as the Economic Opportunity Act of 1964, as amended, and Public Law Number 85-864, known as the National Defense Education Act of 1958, as amended, to the same extent and subject to the same conditions as this authority is vested in the state university board. Sections 136.045; 136.142; 136.143; 136.144; 136.171; 136.22; 136.56; 169.966; and 352.01, subdivision 2a, clause (6), also apply to the state community college board and the state community colleges in the same manner as to the state university board and the state universities.

Sec. 25. [136.89] [NONPROFIT FOUNDATION PAYROLL DEDUCTION.]

Subdivision 1. [REQUEST; WARRANT.] The commissioner of finance, upon the written request of an employee of a community college or the state board for community colleges, may deduct from an employee's salary or wages the amount requested for payment to a nonprofit community college foundation meeting the requirements in subdivision 2. The commissioner shall issue a warrant for the deducted amount to the nonprofit foundation.

Subd. 2. [FOUNDATION APPLICATION; APPROVAL.] A nonprofit foundation that desires to receive contributions through payroll deductions shall apply to the state board for approval to participate in the payroll deduction plan. The board may approve the application for participation if the foundation:

(1) is tax exempt under section 501(c)3 of the Internal Revenue Code of 1986, as amended;

(2) qualifies for tax deductible contributions under section 170 of the Internal Revenue Code of 1986, as amended;

(3) secures funding solely for distribution to that community college; and

(4) has been incorporated according to chapter 317 for at least one calendar year before the date it applies to the state board for community colleges for approval.

Subd. 3. [SOLICITATION.] Efforts to secure payroll deductions authorized in subdivision 1 may not interfere with, require a modification of, nor be conducted during the period of a payroll deduction fund drive for employees authorized by section 309.501.

Sec. 26. [136.91] [CAPITAL PROJECTS BIDDING PROCEDURES.]

In awarding contracts for capital projects under section 16B.09, the state board for community colleges shall consider the documentation provided by the bidders regarding their qualifications, including evidence of having successfully completed similar work, or delivering services or products comparable to that being requested. The board shall set procedures to administer this section, which must include practices that will assist in the economic development of small businesses and small businesses owned and operated by socially or economically disadvantaged persons."

Page 19, after line 22, insert:

"Sec. 29. Minnesota Statutes 1986, section 268.0122, is amended by adding a subdivision to read:

Subd. 6. [SALE, PURCHASE REAL PROPERTY.] Notwithstanding sections 16B.24 and 268.026 or chapter 94, the commissioner of administration, in consultation with the commissioner of jobs and training, may sell the economic security building located at 309-311 Second Avenue South, Minneapolis, Minnesota, and may buy other real property in the city of Minneapolis for the purposes of relocating offices of the department of jobs and training to a location more accessible to residents of Minneapolis and of more readily co-locating its offices with those of other social-service agencies. Before offering the property for sale, the commissioner of administration shall have it appraised and may have it surveyed. The cost of the appraisal and any survey must be added to the appraised value of the

property. The property may not be sold for less than its appraised value. The proceeds of the sale are appropriated to the commissioner of administration, in consultation with the commissioner of jobs and training, to buy the other property authorized by this subdivision, but the commissioner may not purchase any property for more than its appraised value."

Pages 20 and 21, delete sections 23 and 24

Page 21, line 8, delete "24" and insert "2" and delete "July 1, 1987" and insert "*the day following final enactment*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "increasing the powers of the state board for community colleges; changing the criteria for board membership;"

Page 1, line 4, delete "appropriating money;" and insert "authorizing the commissioner of jobs and training to sell certain property and to buy other property;"

Page 1, line 5, after "sections" insert "3.9223, subdivision 5; 15.0591, subdivision 2;"

Page 1, line 7, after the first semicolon, insert "16B.27, subdivision 3;"

Page 1, line 10, after the first semicolon, insert "136.61, subdivision 1; 136.622; 136.67, subdivision 2;" and after the second semicolon, insert "268.0122, by adding a subdivision;"

Page 1, line 13, delete "chapters" and insert "chapter"

Page 1, line 14, delete everything before "proposing"

Page 1, line 15, delete "chapter" and insert "chapters" and after "16B" insert "and 136"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

S.F. No. 2185: A bill for an act relating to the organization of state government; restoring certain duties of the state treasurer; appropriating money; amending Minnesota Statutes 1986, sections 11A.20, subdivision 1; 16A.055, subdivision 7; 16A.42, subdivision 2, and by adding a subdivision; 16A.45, subdivision 2; 16A.47; 16A.58; 16A.672, subdivisions 1, 2, and 3; 69.031, by adding a subdivision; 268.05, subdivision 2; 349.212, by adding a subdivision; 361.03, subdivision 5; 361.27; and 473.606, subdivision 1; and Minnesota Statutes 1987 Supplement, sections 16A.275, subdivision 1; and 609.101, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 7 and 10.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [7.011] [DUTIES.]

The state treasurer shall receive and account for all money paid into the state treasury and safely keep it until lawfully disbursed and shall have and use a seal.

Sec. 2. [7.021] [EMPLOYEES.]

The state treasurer may appoint and, at pleasure, remove a deputy treasurer, who shall serve in the unclassified service and perform the duties of the office when the treasurer is absent or disabled. The appointment must be in writing and filed with the secretary of state. The treasurer may also employ other employees in accordance with chapter 43A.

Sec. 3. [7.031] [ACCOUNTS; DISBURSEMENTS.]

The state treasurer shall keep accurate accounts of receipts and disbursements in accordance with generally accepted accounting principles. The treasurer shall redeem warrants issued by the commissioner of finance and presented to the treasurer for payment. No money may be paid out of the treasury except upon the warrant of the commissioner of finance. Money lawfully deposited in banks is not considered as paid out.

Sec. 4. [7.051] [STATEMENTS.]

At the close of each business day the state treasurer shall deliver to the commissioner of finance a statement, accounting for all the treasurer's receipts and disbursements during the day in accordance with generally accepted accounting principles, accompanied by all warrants redeemed. The treasurer shall report to the legislature by November 15 of each even-numbered year, and to the governor at the governor's request, the condition of the treasury and of the treasurer's public funds in accordance with generally accepted accounting principles, including receipts and disbursements, balances on hand, and where those balances are deposited.

Sec. 5. [7.131] [COLLECTIONS.]

The treasurer may require the assistance of the attorney general to facilitate the collection of money that the treasurer is required or authorized to receive and collect. The attorney general may institute suit in the name of the state to enforce collection of the money.

Sec. 6. [7.151] [PARTIAL PAYMENTS ACCEPTED.]

The treasurer may accept partial payments of money that the treasurer is required or authorized to receive and collect. No partial payment operates as a compromise of the claim covered by the payment, and the unpaid portion remains a claim of the state as fully as if no partial payment had been made.

Sec. 7. [7.161] [DISPOSAL OF CERTAIN MONEY.]

All money received by the state treasurer in the treasurer's official capacity from persons making payment without disclosing their identities or without direction as to application must be deposited in the state treasury and credited to the general fund. The treasurer shall keep a record of money received and credited under this section, in accordance with generally accepted accounting principles.

Sec. 8. [7.171] [REVOLVING FUND.]

A revolving fund of \$100,000 must be kept in the state treasurer's office to cash drafts, checks, and state warrants. The treasurer shall keep an accurate daily account of the fund, in accordance with generally accepted

accounting principles.

Sec. 9. Minnesota Statutes 1986, section 11A.20, subdivision 1, is amended to read:

Subdivision 1. [CERTIFICATION OF STATE TREASURY FUNDS NOT CURRENTLY NEEDED.] *The state treasurer shall report to the commissioner of finance daily, or according to another schedule determined by the commissioner, on the funds in the state treasury together with any other information that the commissioner may prescribe. When there are funds in the state treasury over and above the amount that the commissioner of finance has determined are advised the treasurer is currently needed, the commissioner state treasurer shall certify to the state board the amount thereof of those surplus funds.*

Sec. 10. Minnesota Statutes 1986, section 16A.055, subdivision 1, is amended to read:

Subdivision 1. [LIST.] The commissioner shall:

(1) ~~receive and record all money paid into the state treasury and safely keep it until lawfully paid out~~ *exercise the rights, powers, and duties of the office;*

(2) manage the state's financial affairs;

(3) keep the state's general account books according to generally accepted government accounting principles;

(4) keep expenditure and revenue accounts according to generally accepted government accounting principles;

(5) develop, provide instructions for, prescribe, and manage a state uniform accounting system; and

(6) provide to the state the expertise to ensure that all state funds are accounted for under generally accepted government accounting principles.

Sec. 11. Minnesota Statutes 1987 Supplement, section 16A.275, subdivision 1, is amended to read:

Subdivision 1. [IF \$250, DAILY.] Except as otherwise provided by law, an agency shall deposit receipts totaling \$250 or more ~~in the state treasury with the treasurer~~ daily. The depositing agency shall send a report to the commissioner on the disposition of receipts since the last report. The ~~treasurer and the~~ commissioner shall credit the deposits received during a month to the proper funds not later than the first day of the next month.

Notwithstanding the general rule stated above, the ~~treasurer and~~ commissioner of revenue ~~is are~~ not required to make daily deposits if (1) the volume of tax receipts cannot be processed daily with available resources, or (2) receipts cannot be immediately identified for posting to accounts.

Sec. 12. Minnesota Statutes 1986, section 16A.42, subdivision 2, is amended to read:

Subd. 2. [APPROVAL.] If the claim is approved, the commissioner shall complete and sign a warrant in the amount of the claim. *The treasurer shall then accept and make the warrant negotiable by signing it.*

Sec. 13. Minnesota Statutes 1986, section 16A.42, is amended by adding a subdivision to read:

Subd 3a. [TREASURER'S DESIGNEE.] The treasurer may authorize an assistant to accept a warrant for the treasurer.

Sec. 14. Minnesota Statutes 1986, section 16A.45, subdivision 2, is amended to read:

Subd. 2. [PRESENTMENT OF CANCELED WARRANT.] When a canceled warrant is presented for payment, it ~~shall~~ *must* be paid by the treasurer and charged by the commissioner to the fund credited with the amount of the canceled warrant.

Sec. 15. Minnesota Statutes 1986, section 16A.47, is amended to read:

16A.47 [COMMISSIONER'S ACCOUNT, DOCUMENT DUTIES ACCOUNTS AND DOCUMENTS.]

The commissioner shall make and keep in the department's office a record of all accounts and documents required by law to be returned to or filed with the commissioner. The commissioner shall file and keep all official receipts and vouchers. *The commissioner shall keep an account with the treasurer. The commissioner shall charge the treasurer for all money paid into the treasury and credit the treasurer for all warrants redeemed by the treasurer and returned to the commissioner.* The commissioner shall also keep an account for each appropriation, showing the disbursements. The commissioner shall keep other accounts needed to show the daily condition of state finances.

Sec. 16. Minnesota Statutes 1986, section 16A.58, is amended to read:

16A.58 [COMMISSIONER CUSTODIAN OF PAYMENT DOCUMENTS.]

The commissioner is the custodian of original documents on which money has been or may be paid ~~out of the state treasury~~ *by the treasurer.*

Sec. 17. Minnesota Statutes 1986, section 16A.672, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY.] The commissioner *and treasurer* may issue, execute, deliver, register, and pay bonds and certificates of indebtedness in the form and manner provided in this section, when authorized under section 16A.641 or 16A.671.

Sec. 18. Minnesota Statutes 1986, section 16A.672, subdivision 2, is amended to read:

Subd. 2. [APPLICATION OF COMMERCIAL CODE.] All bonds and certificates are securities under sections 336.8-101 to 336.8-408. The commissioner *and treasurer* may do for the state whatever may or must be done under those sections to comply with the orders authorizing them. The bonds or certificates may be issued:

- (1) in one or more denominations;
- (2) in bearer form, with interest coupons attached; and
- (3) with provision for registration as to principal only; or
- (4) in fully registered form; and
- (5) with provision for registration of conversion and exchange of forms and denominations, transfer of ownership, and replacement of lost or damaged bonds.

Sec. 19. Minnesota Statutes 1986, section 16A.672, subdivision 3, is amended to read:

Subd. 3. [PREPARATION AND EXECUTION.] (a) Bonds and certificates of indebtedness may be printed or otherwise reproduced in the style and form the commissioner prescribes. They may state in a general way the purpose for which they are issued and the security provided for their payment or may incorporate the authorizing order by reference.

(b) They must be executed by the commissioner *and the treasurer* under ~~the commissioner's~~ *their* official seal seals. The ~~signature~~ *signatures and seals* may be a reproduced ~~facsimile~~ *facsimiles*, but no bond or certificate is valid for any purpose unless it is manually signed on its face by the commissioner *or treasurer* or by a duly authorized representative of a bank or trust company named by the commissioner as an agent of the state to authenticate it.

Sec. 20. Minnesota Statutes 1986, section 69.031, is amended by adding a subdivision to read:

Subd. 2a. [PAYMENT.] *The state treasurer shall, upon presentation of the warrant of the commissioner of finance as provided for in this section, pay out of the general fund of the state the amount of the warrant to the auditor of the county presenting the warrant.*

Sec. 21. Minnesota Statutes 1986, section 268.05, subdivision 2, is amended to read:

Subd. 2. [COMMISSIONER OF FINANCE STATE TREASURER TO BE CUSTODIAN; SEPARATE ACCOUNTS; BONDS.] ~~The commissioner of finance~~ *state treasurer* shall be ex officio the treasurer and custodian of the fund, administer the fund in accordance with the directions of the commissioner, and issue warrants upon it in accordance with such rules as the commissioner shall prescribe. ~~The commissioner of finance~~ *treasurer* shall maintain within the fund three separate accounts:

- (1) a clearing account;
- (2) an unemployment trust fund account; and
- (3) a benefit account.

All money payable to the fund, upon receipt thereof by the commissioner, shall be forwarded to the ~~commissioner of finance~~ *treasurer*, who shall immediately deposit them in the clearing account. All money in the clearing account, after clearance thereof, shall, except as herein otherwise provided, be immediately deposited with the secretary of the treasury of the United States to the credit of the account of this state in the unemployment trust fund established and maintained pursuant to section 904 of the Social Security Act, as amended, any provisions of law in this state relating to the deposit, administration, release, or disbursement of money in the possession or custody of this state to the contrary notwithstanding. Refunds payable pursuant to sections 268.16, subdivision 6, and 268.04, subdivision 12, clause (8) (f), may be paid from the clearing account or the benefit account. The benefit account shall consist of all money requisitioned from this state's account in the unemployment trust fund in the United States Treasury for the payment of benefits. Except as herein otherwise provided, money in the clearing and benefit accounts may be deposited by the ~~commissioner of finance~~ *treasurer*, under the direction of the commissioner, in any depository bank in which general funds of the state may be deposited,

but no public deposit insurance charge or premium shall be paid out of the fund. Money in the clearing and benefit accounts shall not be commingled with other state funds, but shall be maintained in separate accounts on the books of the depository bank. Such money shall be secured by the depository bank to the same extent and in the same manner as required by the general depository law of this state; and collateral pledged for this purpose shall be kept separate and distinct from any collateral pledged to secure other funds of the state. All sums recovered for losses sustained by the fund shall be deposited ~~therein~~ in the fund.

Sec. 22. Minnesota Statutes 1986, section 361.03, subdivision 5, is amended to read:

Subd. 5. [DISPOSITION OF RECEIPTS.] All money received by the commissioner ~~shall~~ *must* be deposited ~~in~~ *with* the state ~~treasury~~ *treasurer* and ~~shall be~~ credited to the water recreation account.

Sec. 23. Minnesota Statutes 1986, section 361.27, subdivision 2, is amended to read:

Subd. 2. [FINES, BAIL MONEY.] All fines, installment payments, and forfeited bail money collected from persons convicted of violations of sections 361.01 to 361.28 shall be paid to the county treasurer of the county where the violation occurred by the court administrator of court or other person collecting the money within 15 days after the last day of the month in which they were collected. One-half of the receipts shall be credited to the general revenue fund of the county. The other one-half of the receipts shall be transmitted by the county treasurer to the ~~commissioner of natural resources~~ *state treasurer* to be deposited in the water recreation account in the state treasury for the purpose of boat and water safety.

Sec. 24. Minnesota Statutes 1987 Supplement, section 609.101, is amended to read:

609.101 [SURCHARGE ON FINES, ASSESSMENTS; MINIMUM FINES.]

Subdivision 1. [SURCHARGES AND ASSESSMENTS.] When a court sentences a person convicted of a felony, gross misdemeanor, or misdemeanor, other than a petty misdemeanor such as a traffic or parking violation, and if the sentence does not include payment of a fine, the court shall impose an assessment of not less than \$25 nor more than \$50. If the sentence for the felony, gross misdemeanor, or misdemeanor includes payment of a fine of any amount, including a fine of less than \$100, the court shall impose a surcharge on the fine of ten percent of the fine. This section applies whether or not the person is sentenced to imprisonment and when the sentence is suspended. The court may not waive payment or authorize payment of the assessment or surcharge in installments unless it makes written findings on the record that the convicted person is indigent or that the assessment or surcharge would create undue hardship for the convicted person or that person's immediate family. If the court fails to waive or impose an assessment required by this section, the court administrator shall correct the record to show imposition of an assessment of \$25 if the sentence does not include payment of a fine, or if the sentence includes a fine, to show an imposition of a surcharge of ten percent of the fine.

Except for assessments and surcharges imposed on persons convicted of violations described in section 97A.065, subdivision 2, the court shall collect and forward to the ~~commissioner of finance~~ *state treasurer* the total

amount of the assessment or surcharge and the ~~commissioner~~ *treasurer* shall credit all money so forwarded to a crime victim and witness account, which is established as a special account in the state treasury.

Money credited to the crime victim and witness account may be appropriated for but is not limited to the following purposes:

- (1) use for crime victim reparations under sections 611A.51 to 611A.68;
- (2) use by the crime victim and witness advisory council established under section 611A.71; and
- (3) to supplement the federally funded activities of the crime victim ombudsman under section 611A.74.

If the convicted person is sentenced to imprisonment, the chief executive officer of the correctional facility in which the convicted person is incarcerated may collect the assessment or surcharge from any earnings the inmate accrues for work performed in the correctional facility and forward the amount to the ~~commissioner of finance~~ *state treasurer*, indicating the part that was imposed for violations described in section 97A.065, subdivision 2, which must be credited to the game and fish fund.

Subd. 2. [MINIMUM FINES.] Notwithstanding any other law:

- (1) when a court sentences a person convicted of violating section 609.221, 609.267, or 609.342, it must impose a fine of not less than \$500 nor more than the maximum fine authorized by law;
- (2) when a court sentences a person convicted of violating section 609.222, 609.223, 609.2671, 609.343, 609.344, or 609.345, it must impose a fine of not less than \$300 nor more than the maximum fine authorized by law; and
- (3) when a court sentences a person convicted of violating section 609.2231, 609.224, or 609.2672, it must impose a fine of not less than \$100 nor more than the maximum fine authorized by law.

The court may not waive payment of the fine or authorize payment of it in installments unless the court makes written findings on the record that the convicted person is indigent or that the fine would create undue hardship for the convicted person or that person's immediate family.

The court shall collect the minimum fine mandated by this subdivision and forward 70 percent of it to a local victim assistance program that provides services locally in the county in which the crime was committed. The court shall forward the remaining 30 percent to the ~~commissioner of finance~~ *state treasurer* to be credited to the crime victim and witness account established in subdivision 1. If more than one victim assistance program serves the county in which the crime was committed, the court may designate on a case-by-case basis which program will receive the fine proceeds, giving consideration to the nature of the crime committed, the types of victims served by the program, and the funding needs of the program. If no victim assistance program serves that county, the court shall forward 100 percent of the fine proceeds to the ~~commissioner of finance~~ *treasurer* to be credited to the crime victim and witness account. Fine proceeds received by a local victim assistance program must be used to provide direct services to crime victims. Fine proceeds credited to the crime victim and witness account may be appropriated to the crime victim and witness advisory council, and the council may use all or part of the proceeds

for the purpose of providing grants to establish new victim assistance programs.

The minimum fine required by this subdivision is in addition to the surcharge or assessment required by subdivision 1 and is in addition to any term of imprisonment or restitution imposed or ordered by the court.

As used in this subdivision, "victim assistance program" means victim witness programs within county attorney offices or any of the following programs approved by the department of corrections: crime victim crisis centers, victim-witness programs, battered women shelters and nonshelter programs, and sexual assault programs."

Delete the title and insert:

"A bill for an act relating to the organization of state government; restoring certain duties of the state treasurer; amending Minnesota Statutes 1986, sections 11A.20, subdivision 1; 16A.055, subdivision 1; 16A.42, subdivision 2, and by adding a subdivision; 16A.45, subdivision 2; 16A.47; 16A.58; 16A.672, subdivisions 1, 2, and 3; 69.031, by adding a subdivision; 268.05, subdivision 2; 361.03, subdivision 5; and 361.27, subdivision 2; and Minnesota Statutes 1987 Supplement, sections 16A.275; subdivision 1; and 609.101; proposing coding for new law in Minnesota Statutes, chapter 7."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was re-referred

S.F. No. 2000: A bill for an act proposing an amendment to the Minnesota Constitution by adding a section to article XI; establishing a Minnesota environment, natural resources, and wildlife trust fund; providing implementing legislation; creating a legislative commission; proposing coding for new law in Minnesota Statutes, chapter 86; repealing Minnesota Statutes 1986, sections 86.01; 86.02; 86.03; 86.06; 86.07; and 86.08.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 18, delete "Minnesota"

Page 2, line 19, delete "future resources" and insert "legislative" and before the period, insert "on Minnesota resources"

Page 2, line 27, after the period, insert "The trust fund is intended to provide the primary source of support for the reinvest in Minnesota program as provided in section 84.95."

Page 4, lines 10 and 11, delete "Minnesota future resources"

Page 4, delete lines 17 to 27 and insert:

"Sec. 6. [86.84] [LEGISLATIVE COMMISSION ON MINNESOTA RESOURCES.]

Subdivision 1. [MEMBERSHIP.] (a) The legislative commission on Minnesota resources consists of the chairs of the house of representatives and senate committees on environment and natural resources, the chairs of the house of representatives appropriations and senate finance committees, six members of the senate appointed by the chair of the committee on rules

and administration, and six members of the house of representatives appointed by the speaker. At least two members from the senate and two members from the house of representatives must be from the minority caucus."

Page 5, line 9, delete everything after the period and insert "*The reinvest in Minnesota program must be a priority of the strategic plan.*"

Page 5, delete line 10

Page 5, line 11, delete everything before "*The*"

Page 5, line 12, delete everything after the period

Page 5, delete lines 13 and 14

Page 5, line 27, after "(1)" insert "*the reinvest in Minnesota program as provided in section 84.95, subdivision 2;*

(2)"

Page 5, line 30, delete "(2)" and insert "(3)"

Page 5, line 33, delete "(3)" and insert "(4)"

Page 6, delete lines 1 and 2

Page 6, line 15, delete "*or*"

Page 6, line 16, delete the period and insert "; *or*

(6) *projects or purposes inconsistent with the strategic plan.*"

Page 7, line 25, delete "*general*" and insert "*Minnesota resources*"

Page 9, line 33, delete "*and*" and insert "*in*"

Page 10, line 11, before "*public*" insert "*Minnesota*"

Page 10, delete section 13

Page 10, line 32, delete "*14*" and insert "*13*"

Renumber the sections in sequence

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was re-referred

S.F. No. 1463: A bill for an act relating to veterans; requiring the commissioner of veterans affairs to establish a veterans outreach center; proposing coding for new law in Minnesota Statutes, chapter 196.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, after line 31, insert:

"Sec. 2. [198.056] [BOARD OF DIRECTORS; SOUTHWESTERN MINNESOTA VETERANS OUTREACH CENTER.]

Subdivision 1. [MEMBERSHIP] The board of directors of the southwestern Minnesota veterans outreach center consists of nine members appointed by the commissioner under section 15.014. One member must be a county veterans service officer, one a registered nurse, one a licensed nursing home administrator, one a hospital administrator, and one a mental

health professional. At least five members of the board must be veterans as defined by section 197.447.

Subd. 2. [OFFICERS; QUORUM; RECORDS.] The board shall elect a chair, vice-chair, and other officers it considers necessary from its members. A majority of the board constitutes a quorum, and concurrence of a majority of its quorum is required for the board to act on any matter. The board shall meet at least once every three months or at the call of a quorum and hold other public hearings it considers necessary for the conduct of its business. The board shall keep a full and accurate record of its official acts.

Subd. 3. [ADMINISTRATIVE SERVICES.] The commissioner shall provide the board with office space, clerical assistance, and other administrative services necessary for the board to conduct its business.

Sec. 3. [198.312] [BOARD POWERS AND DUTIES.]

Subdivision 1. [POWERS.] The board may review and comment to the commissioner on any policy, rule, procedure, or guideline governing the southwestern Minnesota veterans outreach center proposed or adopted by the commissioner or any other officer or employee of the department or center.

Subd. 2. [DUTIES.] The board shall:

(1) recommend to the commissioner a site for the southwestern Minnesota veterans outreach center;

(2) review and comment to the commissioner on any internal or external audit or review of any operation or function of the southwestern Minnesota veterans outreach center;

(3) at the times it determines, but at least annually, conduct an on-site tour of the southwestern Minnesota veterans outreach center, for which purpose the board must be permitted access to all buildings and facilities of the center, and make recommendations to the commissioner concerning any aspect of the operations of the center viewed by the board; and

(4) conduct a performance review of the administrator.

Sec. 4. [APPROPRIATION.]

§ is appropriated from the general fund to the commissioner of veterans affairs for the purpose of establishing the veterans outreach center under section 1, to be available until expended."

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "establishing a board of directors of the veterans outreach center; appropriating money;"

Page 1, line 5, delete "chapter" and insert "chapters" and after "196" insert "and 198"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

S.F. No. 2414: A bill for an act relating to public employees; providing for assignment of University of Minnesota job classifications to appropriate units; amending Minnesota Statutes 1986, sections 179A.10, subdivision 4; and 179A.11, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [UNIT TRANSFER.]

The University of Minnesota job classification entitled "radio and television broadcast technicians" is reassigned from the technical unit (7) to the crafts and trades unit (2), as provided under Minnesota Statutes, section 179A.11."

Delete the title and insert:

"A bill for an act relating to public employees; providing for reassignment of a University of Minnesota job classification to a different unit."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 2390: A bill for an act relating to metropolitan airports; providing environmental goals for the metropolitan airports commission; amending Minnesota Statutes 1986, section 473.602.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 4, delete everything after "(3)"

Page 2, line 5, delete everything before "minimize"

Page 2, line 7, delete "achieve" and delete "purposes" and insert "ends"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was re-referred

S.F. No. 1928: A bill for an act relating to health; establishing a safe drinking water account; prohibiting the use of certain lead pipe and pipe fittings; appropriating money; amending Minnesota Statutes 1986, sections 144.382, subdivision 1, and by adding a subdivision; 326.371; proposing coding for new law in Minnesota Statutes, chapter 144; repealing Minnesota Statutes 1986, section 144.388.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 24, delete everything after the period

Page 1, delete lines 25 to 27

Page 2, delete lines 1 to 10

Page 2, line 11, delete "4" and insert "2"

Page 2, after line 31, insert:

"Sec. 5. [APPROPRIATION.]

\$1,485,000 is appropriated from the general fund to the safe drinking water account."

Page 2, line 35, delete "5" and insert "4, and 6" and after the period, insert "*Section 4 applies to pipes and pipe fittings containing more than eight percent lead installed after the effective date of this act.*"

Renumber the sections in sequence

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was re-referred

S.F. No. 412: A bill for an act relating to real property; creating a lien against real property for expenses incurred by agencies or political subdivisions in taking action to protect public health, safety, or the environment with respect to the release of substances; providing for filing, enforcement, and appeal of the lien; proposing coding for new law in Minnesota Statutes, chapter 514.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

**"ENVIRONMENTAL LIEN FOR STATE CLEANUP ACTION
EXPENSES**

Section 1. [514.671] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 1 to 6.

Subd. 2. [AGENCY.] "Agency" means the pollution control agency.

Subd. 3. [CLEANUP ACTION.] "Cleanup action" means corrective action or response action.

Subd. 4. [CLEANUP ACTION EXPENSES.] "Cleanup action expenses" means expenses incurred for cleanup action under section 115B.17 or 115C.03, that are recoverable by the state under section 115B.04 or 115C.04.

Subd. 5. [COMMISSIONER.] "Commissioner" means the commissioner of the pollution control agency.

Subd. 6. [CORRECTIVE ACTION.] "Corrective action" has the meaning given in section 115C.02, subdivision 4.

Subd. 7. [ENVIRONMENTAL LIEN.] "Environmental lien" means a lien for cleanup action expenses under sections 1 to 6.

Subd. 8. [RELEASE.] "Release" in relation to a substance entering the environment has the meanings given in sections 115B.02, subdivision 15, and 115C.02, subdivision 12.

Subd. 9. [RESPONSE ACTION.] "Response action" means remedial and removal action as defined in section 115B.02, subdivisions 16 and 17.

Sec. 2. [514.672] [ENVIRONMENTAL LIEN.]

Subdivision 1. [LIEN AMOUNT; PROPERTY SUBJECT TO LIEN.] All cleanup action expenses for which a person is liable to the state under section 115B.04 or 115C.04, constitute a lien in favor of the state upon all real property that:

(1) is owned by the person at the time the environmental lien notice is filed; and

(2) is subject to or affected by the cleanup action.

Subd. 2. [ATTACHMENT.] An environmental lien attaches when:

(1) cleanup action costs are first incurred by the state with respect to a cleanup action;

(2) the person referred to in subdivision 1 is provided, by certified or registered mail, written notice of potential liability; and

(3) a lien notice is filed as provided in section 3.

Subd. 3. [CONTINUATION OF LIEN.] An environmental lien continues until the liability for the cleanup action costs, or a judgment against the person referred to in subdivision 1 arising out of the liability, is satisfied or becomes unenforceable through operation of the statute of limitations under section 115B.11 or 541.05, subdivision 1, clause (2), unless the lien is released under subdivision 5.

Subd. 4. [LIEN PRIORITY.] An environmental lien is subject to the rights of any other person, including an owner, purchaser, holder of a mortgage or security interest, or judgment lien creditor, whose interest is perfected before a lien notice has been filed as provided in section 3. The rights of such other person must be afforded the same protections against an environmental lien as are afforded against a judgment lien which arises out of an unsecured obligation and which arises as of the time of the filing of the lien notice as provided in section 3.

Subd. 5. [RELEASE.] (a) The commissioner shall release an environmental lien if:

(1) the environmental lien is satisfied;

(2) a legally enforceable agreement satisfactory to the agency under chapter 115B, or the commissioner under chapter 115C, has been executed relating to taking the cleanup action or reimbursing the agency for the cleanup action expenses;

(3) a claim or judgment for the cleanup action expenses is satisfied;

(4) the petroleum tank release compensation board has disapproved the filing of an environmental lien notice under section 3, subdivision 3, paragraph (b); or

(5) the environmental lien is unenforceable.

(b) The commissioner or the agency may release an environmental lien if the attachment or enforcement of the environmental lien is determined by the agency or commissioner not to be in the public interest.

(c) An environmental lien is unenforceable if:

- (1) the lien is unenforceable under subdivision 3; or
- (2) a determination is made by a court that the environmental lien is unenforceable.

(d) The commissioner shall execute the release of an environmental lien and file the release as provided in section 3, subdivision 2.

Sec. 3. [514.673] [ENVIRONMENTAL LIEN NOTICE.]

Subdivision 1. [CONTENTS.] An environmental lien notice must state:

(1) the name of the record owner of the real property where the environmental lien attached;

(2) the legal description of the real property where the environmental lien attached;

(3) a statement that the real property described in the notice is subject to or affected by a cleanup action for which cleanup action expenses have been incurred;

(4) a statement that the owner is potentially liable for cleanup action expenses under section 115B.04 or 115C.04; and

(5) a statement that an environmental lien has attached to the described real property.

Subd. 2. [FILING.] Any notice, release, or other document required to be filed under sections 1 to 6 must be filed in the office of the county recorder or the registrar of titles of the county where the real property is located. An attestation, certification, or acknowledgment is not required as a condition of filing. The filing or mailing of any notice, release, or other document under sections 1 to 6 is the responsibility of the commissioner or the commissioner's designee. A copy of an environmental lien notice must also be sent to each record owner and mortgagee of the real property by registered or certified mail.

Subd. 3. [APPROVAL BY AGENCY OR PETROLEUM TANK RELEASE COMPENSATION BOARD.] (a) The commissioner may not file an environmental lien notice until the agency board for cleanup action expenses incurred under chapter 115B, or the petroleum tank release compensation board for cleanup action expenses incurred under chapter 115C, the person referred to in section 2, subdivision 1, and each record owner and mortgagee of the real property have been notified in writing of the commissioner's intention to file the lien notice and the requirements for filing the lien under paragraph (b) have been met.

(b) By 30 days after receiving notification from the commissioner under paragraph (a), the agency board or petroleum tank release compensation board shall approve or disapprove of the filing of the lien by the commissioner. If the appropriate board disapproves of the filing, the lien may not be filed. If the appropriate board approves of the filing or, in the case of the petroleum tank release compensation board, takes no action on the matter within the 30 day period, the commissioner may file the lien notice.

Sec. 4. [514.674] [LIEN ENFORCEMENT: LIMITATION.]

Subdivision 1. [FORECLOSURE PROCEDURE.] Subject to the provisions of subdivision 2, an environmental lien may be enforced by foreclosure in the manner provided for foreclosure of judgment liens under chapter 550.

Subd. 2. [PROPERTY USED FOR PRODUCTION OF INCOME.] If the person referred to in section 2, subdivision 1, used the real property for the production of income at the time the lien attached, the lien may not be foreclosed until the person ceases to use the property for the production of income or the real property or rights to the real property held by the person are transferred to another person. An environmental lien upon real property or rights to real property subject to this foreclosure limitation remains enforceable notwithstanding any law limiting the enforceability of a judgment arising out of the liability of the person referred to in section 2, subdivision 1.

Sec. 5. [514.675] [LIEN DOES NOT AFFECT OTHER REMEDIES.]

Nothing in sections 1 to 6 affects the right of the state to bring an action to recover cleanup action expenses under section 115B.04 or 115C.04.

Sec. 6. [514.676] [AMOUNTS RECEIVED TO SATISFY LIEN.]

Amounts received by the agency to satisfy all or a part of an environmental lien must be deposited in the state treasury and credited to the fund from which the expenses were paid."

Delete the title and insert:

"A bill for an act relating to real property; creating a lien against real property where the state has incurred cleanup expenses and the owner is liable for the expenses under Minnesota Statutes, chapter 115B or 115C; providing procedures for implementation and enforcement of the lien; proposing coding for new law in Minnesota Statutes, chapter 514."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 2131: A bill for an act relating to the environment; prohibiting government units and takeout food vendors from purchasing and using chlorofluorocarbon-processed food packaging materials; providing a penalty; proposing coding for new law in Minnesota Statutes, chapter 116.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [116.601] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 2 to 4.

Subd. 2. [CFC-PROCESSED.] "CFC-processed" means processing that uses chlorofluorocarbons.

Subd. 3. [CHLOROFLUOROCARBONS OR CFCS.] "Chlorofluorocarbons;" or "CFCs" means the substances identified in the Montreal Treaty as: CFC-11, $CFCl_3$; CFC-12, CF_2Cl_2 ; CFC-113, $C_2F_3Cl_3$; CFC-114, $C_2F_4Cl_2$; CFC-115, C_2F_5Cl ; Halon-1211, CF_2BrCl ; Halon-1301, CF_3Br ; and Halon-2402, $C_2F_4Br_2$. Chlorofluorocarbons or CFCs also includes substances identified by the agency by rule as being included or added to the Montreal Treaty.

Subd. 4. [PACKAGING.] "Packaging" means all bags, sacks, wrapping, containers, bowls, plates, trays, cartons, cups, packing, and lids used for packaging that are not intended for reuse.

Subd. 5. [LOCAL GOVERNMENT.] "Local government" means a county, town, statutory or home rule charter city, or school district.

Sec. 2. [116.602] [STATE AND LOCAL GOVERNMENT; PROHIBITED PACKAGING.]

Except as provided in section 4, the state and local governments may not purchase, or otherwise obtain, CFC-processed packaging.

Sec. 3. [116.603] [CFC-PROCESSED PACKAGING.]

Except as provided in section 4, a person may not purchase, manufacture, sell, or distribute packaging knowing that it is CFC-processed.

Sec. 4. [116.605] [EXEMPTIONS.]

(a) The agency may adopt rules to exempt a type of packaging from the requirements of sections 2 and 3 after adopting findings that:

(1) the type of packaging does not have an acceptable non-CFC-processed equivalent and the adverse health effects of the CFC-processed packaging can be tolerated until an alternative packaging can be developed; and

(2) imposing the requirements of sections 2 and 3 on the type of packaging would cause undue hardship.

(b) A person may apply to the commissioner for determination of whether a type of packaging is exempt under this paragraph or subject to section 2 or 3.

Sec. 5. [116.606] [ENFORCEMENT; PENALTIES.]

A person who violates section 2 or 3 is subject to a civil penalty of up to \$500 for each violation. The attorney general shall enforce sections 2 and 3, and may bring an action for injunctive relief or an action to compel performance or may seek civil penalties. In an action brought under this section, the attorney general may also recover costs and disbursements, including reasonable attorney fees.

Sec. 6. [STUDY.]

By December 1, 1988, the agency shall complete a study and report the findings to the legislature on ways to eliminate sources of CFC in the state.

Sec. 7. [APPROPRIATION.]

\$ is appropriated from the general fund to the pollution control agency for administrative costs to implement sections 2 and 3 and for the cost of the study required in section 6.

Sec. 8. [EFFECTIVE DATE.]

Sections 4 and 6 are effective the day following final enactment. Section 2 is effective January 1, 1989. Section 3 is effective January 1, 1990."

Delete the title and insert:

"A bill for an act relating to the environment; prohibiting government units

and vendors from purchasing and using chlorofluorocarbon-processed packaging materials; providing penalties; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116.”

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

H.F. No. 1836: A bill for an act relating to crimes; providing for proof of prior convictions at sentencing hearings and in certain criminal prosecutions; amending Minnesota Statutes 1986, section 244.10, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 609.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1986, section 244.10, is amended by adding a subdivision to read:

Subd. 3. [COMPUTATION OF CRIMINAL HISTORY SCORE.] If the defendant contests the existence of or factual basis for a prior conviction in the calculation of the defendant's criminal history score, proof of it is established by competent and reliable evidence, including a certified court record of the conviction.

Sec. 2. [609.041] [PROOF OF PRIOR CONVICTIONS.]

In a criminal prosecution in which the degree of the crime or the penalty for the crime depends, in whole or in part, on proof of the existence of a prior conviction, if the defendant contests the existence of or factual basis for a prior conviction, proof of it is established by competent and reliable evidence, including a certified court record of the conviction.”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 2472: A bill for an act relating to crimes; increasing the penalties for issuing dishonored checks with aggregate value greater than \$200; amending Minnesota Statutes 1986, section 609.535, subdivision 2, and by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 22, delete “aggregate” and delete “or checks”

Page 1, line 25, delete “aggregate”

Page 2, line 1, delete “or checks” and delete “no” and insert “not”

Page 2, line 3, delete the first “the”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

H.F. No. 10: A bill for an act relating to crimes; raising the minimum term of imprisonment from 17 to 20 years for persons convicted of first degree murder; clarifying that the crying of a child does not constitute provocation under first degree manslaughter; amending Minnesota Statutes 1986, section 244.05, subdivision 4; and Minnesota Statutes 1987 Supplement, section 609.20.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, delete section 1

Page 1, line 27, delete "*an infant or*" and insert "*a*"

Page 2, line 1, delete "*under the age of 12 years*" and delete "*such words or acts*" and insert "*provocation*"

Page 2, line 19, delete "*Sections 1 and 2 are*" and insert "*Section 1 is*" and delete "*apply*" and insert "*applies*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete "raising the minimum term of"

Page 1, delete line 3

Page 1, line 4, delete "of first degree murder;"

Page 1, line 6, delete "1986,"

Page 1, delete line 7

And when so amended the bill do pass. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 1336, 1804, 1610, 1060, 2344, 1996, 2076, 2525, 2425, 2023, 2122, 2506, 1788, 1540, 2125, 2071, 1727, 2207, 2275, 752, 1838, 2185, 2414, 2390, 412 and 2472 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 2463, 2265, 2132, 2735, 2615, 1767, 421, 2039, 1836 and 10 were read the second time.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the General Orders Calendar. The motion prevailed.

GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Hughes in the chair.

After some time spent therein, the committee arose, and Mr. Hughes reported that the committee had considered the following:

S.F. Nos. 2117 and 995, which the committee recommends to pass.

S.F. No. 1721, which the committee recommends to pass with the following amendment offered by Mr. Wegscheid:

Page 1, after line 8, insert:

“Section 1. Minnesota Statutes 1987 Supplement, section 181.932, subdivision 1, is amended to read:

Subdivision 1. [PROHIBITED ACTION.] An employer shall not discharge, discipline, threaten, otherwise discriminate against, or penalize an employee regarding the employee's compensation, terms, conditions, location, or privileges of employment because:

(a) the employee, or a person acting on behalf of an employee, in good faith, reports a violation or suspected violation of any federal or state law or rule adopted pursuant to law to an employer or to any governmental body or law enforcement official;

(b) the employee is requested by a public body or office to participate in an investigation, hearing, inquiry; or

(c) the employee refuses to participate in any activity an employer's order to perform an action that the employee, in good faith, believes has an objective basis in fact to believe violates any state or federal law or rule or regulation adopted pursuant to law, and the employee informs the employer that the order is being refused for that reason.”

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

On motion of Mr. Moe, R.D., the report of the Committee of the Whole, as kept by the Secretary, was adopted.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate proceeded to the Order of Business of Introduction and First Reading of Senate Bills. The motion prevailed.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

Mr. Johnson, D.J. introduced—

S.F. No. 2548: A bill for an act relating to horse racing; reducing the amount which licensees are required to withhold from winnings from pari-mutuel betting; amending Minnesota Statutes 1986, section 290.92, subdivision 27.

Referred to the Committee on General Legislation and Public Gaming.

Mrs. Lantry introduced—

S.F. No. 2549: A bill for an act relating to the St. Paul police relief association and the St. Paul fire department relief association; providing

for the inclusion of retired members on the boards of directors of the relief associations.

Referred to the Committee on Governmental Operations.

Messrs. Hughes, Diessner and Mrs. Lantry introduced—

S.F. No. 2550: A bill for an act relating to capital improvements; providing money to acquire open space in the city of Maplewood; authorizing sale of state bonds; appropriating money.

Referred to the Committee on Finance.

Messrs. Storm, Decker, Benson and Mehrkens introduced—

S.F. No. 2551: A bill for an act relating to education; providing for the recall, reconfirmation, and replacement of the board of regents of the University of Minnesota; proposing coding for new law in Minnesota Statutes, chapter 137.

Referred to the Committee on Education.

Mr. Laidig introduced—

S.F. No. 2552: A bill for an act relating to game and fish; restricting types of materials used to seal a dark house or fish house to the ice; requiring removal of debris left on ice around dark house or fish house; imposing a petty misdemeanor for violations; amending Minnesota Statutes 1986, section 97C.355, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 97A.

Referred to the Committee on Environment and Natural Resources.

Mr. Purfeerst introduced—

S.F. No. 2553: A bill for an act relating to taxation; property; providing that referendum levies are included in a school district's levy limit for purposes of determining the district's homestead credit replacement aid; amending Minnesota Statutes 1987 Supplement, section 273.1394.

Referred to the Committee on Taxes and Tax Laws.

Mr. Moe, R.D. introduced—

S.F. No. 2554: A bill for an act relating to employment; creating a program to develop expertise and provide assistance to those wishing to establish employee-owned businesses; establishing a loan guaranty and bonding program to aid the establishment of employee-owned businesses; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 268A.

Referred to the Committee on Employment.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Peterson, R.W. moved that S.F. No. 1613, No. 93 on General Orders, be stricken and re-referred to the Committee on Judiciary. The motion prevailed.

Mr. Peterson, R.W. moved that S.F. No. 1790, No. 189 on General Orders, be stricken and re-referred to the Committee on Judiciary. The motion

prevailed.

Mr. Moe, R.D. moved that S.F. No. 2419 be withdrawn from the Committee on Rules and Administration and re-referred to the Committee on Finance. The motion prevailed.

MEMBERS EXCUSED

Mr. Frank was excused from the Session of today from 2:45 to 4:00 p.m.
Ms. Berglin was excused from the Session of today from 3:00 to 5:00 p.m.
Mr. Knaak was excused from the Session of today from 4:00 to 5:00 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:00 noon, Tuesday, March 22, 1988. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

SEVENTY-THIRD DAY

St. Paul, Minnesota, Tuesday, March 22, 1988

The Senate met at 12:00 noon and was called to order by the President.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Marjorie B. Aurelius.

The roll was called, and the following Senators answered to their names:

Adkins	Davis	Jude	Metzen	Renneke
Anderson	Decker	Knaak	Moe, D.M.	Samuelson
Beckman	DeCramer	Knutson	Moe, R.D.	Schmitz
Belanger	Dicklich	Kroening	Morse	Solon
Benson	Diessner	Laidig	Novak	Spear
Berg	Frank	Langseth	Olson	Storm
Berglin	Frederick	Lantry	Pehler	Stumpf
Bernhagen	Frederickson, D.J.	Larson	Peterson, D.C.	Taylor
Bertram	Frederickson, D.R.	Lessard	Peterson, R.W.	Vickerman
Brandl	Freeman	Luther	Piper	Waldorf
Brataas	Gustafson	Marty	Pogemiller	Wegscheid
Chmielewski	Hughes	McQuaid	Purfeerst	
Cohen	Johnson, D.E.	Mehrkens	Ramstad	
Dahl	Johnson, D.J.	Merriam	Reichgott	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

MEMBERS EXCUSED

Mr. Knaak was excused from the Session of today from 12:00 noon to 1:05 p.m. Mr. Novak was excused from the Session of today from 12:30 to 2:00 p.m. Mr. DeCramer was excused from the Session of today from 1:40 to 2:00 p.m.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received.

March 16, 1988

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. Nos. 537 and 1715.

Sincerely,
Rudy Perpich, Governor

March 17, 1988

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1988 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Date Approved 1988	Date Filed 1988
537		408	March 16	March 16
1715		409	March 16	March 16
	1886	410	March 16	March 16

Sincerely,
Joan Anderson Growe
Secretary of State

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S.F. No. 1710.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 21, 1988

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 896: A bill for an act relating to probate; providing for the award of sentimental property to the decedent's children; amending Minnesota Statutes 1986, sections 525.15; and 525.151; proposing coding for new law in Minnesota Statutes, chapter 525.

Senate File No. 896 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 21, 1988

CONCURRENCE AND REPASSAGE

Mr. Luther moved that the Senate concur in the amendments by the House to S.F. No. 896 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 896 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 49 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Decker	Johnson, D.E.	Merriam	Renneke
Beckman	DeCramer	Knutson	Metzen	Samuelson
Belanger	Dicklich	Kroening	Moe, D.M.	Schmitz
Benson	Frank	Lantry	Moe, R.D.	Spear
Berg	Frederick	Larson	Morse	Storm
Bernhagen	Frederickson, D.J.	Lessard	Olson	Taylor
Bertram	Frederickson, D.R.	Luther	Pehler	Vickerman
Brataas	Freeman	Marty	Piper	Waldorf
Chmielewski	Gustafson	McQuaid	Pogemiller	Wegscheid
Dahl	Hughes	Mehrkens	Ramstad	

So the bill, as amended, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 187: A bill for an act relating to liens; personal property; establishing a lien on personal property held in self-service storage facilities; providing for the enforcement of these liens; regulating rental agreements and advertising; proposing coding for new law in Minnesota Statutes, chapter 514.

Senate File No. 187 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 21, 1988

Mr. Merriam moved that S.F. No. 187 be laid on the table. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 2000, 2059, 2253, 1585, 1939, 2554, 2703, 2232, 2388, 2490, 1897, 1957 and 2468.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 21, 1988

FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H.F. No. 2000: A bill for an act relating to civil actions; requiring the judgment creditor to file satisfaction of judgment documents; amending Minnesota Statutes 1986, section 548.15.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1741, now on General Orders.

H.F. No. 2059: A bill for an act relating to crime; children; clarifying the defenses to a charge of deprivation of parental rights; requiring defendant to prove elements of defenses; amending Minnesota Statutes 1987 Supplement, section 609.26, subdivision 2.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1820, now on General Orders.

H.F. No. 2253: A bill for an act relating to corporations; making certain corrections to shareholder protection and corporate take-over legislation; eliminating restrictions on certain business combinations with an interested shareholder after five years; amending Minnesota Statutes 1986, sections 80B.03, subdivisions 1 and 6; and 302A.243; Minnesota Statutes 1987 Supplement, sections 302A.011, subdivisions 37, 41, 42, 46, 49, 50, and 51; 302A.553, subdivision 3; 302A.671, subdivisions 1, 2, 3, 4, and 4a; and 302A.673.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1892.

H.F. No. 1585: A bill for an act relating to natural resources; designating a basin of Twin Lake within the city of Robbinsdale as a separate basin, South Twin Lake.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1427, now on General Orders.

H.F. No. 1939: A bill for an act relating to agriculture; changing the continuing effect of certain farmer-lender mediation rules; repealing certain conflicting language relating to food handler license fees; amending Laws 1987, chapter 292, section 35; repealing Laws 1987, chapter 358, section 85.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1743, now on General Orders.

H.F. No. 2554: A bill for an act relating to education; allowing noncontiguous school districts to consolidate; amending Minnesota Statutes 1986, section 122.23, subdivision 1.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2210, now on General Orders.

H.F. No. 2703: A bill for an act relating to intoxicating liquor; authorizing the city of Bloomington to issue an on-sale intoxicating liquor license to Midsummer, A Festival of Music.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2471, now on General Orders.

H.F. No. 2232: A bill for an act relating to cable television; exempting

certain small cable systems; requiring new franchises to be granted on same terms as original franchise; prohibiting utilities from giving unfair preference to affiliated companies that provide cable television service; amending Minnesota Statutes 1986, sections 238.02, subdivision 3; and 238.08, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 238.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2244, now on General Orders.

H.F. No. 2388: A bill for an act relating to public employees; providing for assignment of University of Minnesota job classifications to appropriate units; amending Minnesota Statutes 1986, sections 179A.10, subdivision 4; and 179A.11, by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2414, now on General Orders.

H.F. No. 2490: A bill for an act relating to state land; conveying title to state land in Kittson county.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2238, now on General Orders.

H.F. No. 1897: A bill for an act relating to insurance; regulating the Minnesota Insurance Guaranty Association; excluding investment risks insurance from coverage; modifying the definitions of "resident" and "covered claim"; regulating claims; preventing insolvencies; making certain technical changes; amending Minnesota Statutes 1986, sections 60C.02, subdivision 1; 60C.03, subdivisions 2, 7, and by adding a subdivision; 60C.05, subdivisions 1 and 2; 60C.06, by adding a subdivision; 60C.13, subdivision 2; 60C.15; and 60C.18; Minnesota Statutes 1987 Supplement, section 60C.09; repealing Minnesota Statutes 1987 Supplement, section 60C.06, subdivision 5.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1802, now on General Orders.

H.F. No. 1957: A bill for an act relating to marriage dissolution; providing for parties to a dissolution to disclose assets and liabilities; requiring the supreme court to prepare forms for disclosure; providing sanctions for misrepresentations or omissions or failure to file any disclosure; permitting the sealing of marriage dissolution records; proposing coding for new law in Minnesota Statutes, chapter 518.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2207, now on General Orders.

H.F. No. 2468: A bill for an act relating to economic development; authorizing the commissioner to award set-aside procurements to local small businesses; amending Minnesota Statutes 1986, section 16B.19, subdivision 5; Minnesota Statutes 1987 Supplement, sections 16B.19, subdivision 6; and 645.445, subdivision 5.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2196.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Frank from the Committee on Economic Development and Housing, to which was referred

S.F. No. 2405: A bill for an act relating to economic development; including labor organizations and community groups in the organizations that are eligible for assistance from various entities; amending Minnesota Statutes 1987 Supplement, sections 116O.06, subdivision 1; and 116O.08, subdivision 2.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 1 and 2, delete sections 1 and 2

Re-number the sections in sequence

Amend the title as follows:

Page 1, line 5, delete everything after "entities" and insert a period

Page 1, delete lines 6 and 7

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Frank from the Committee on Economic Development and Housing, to which was re-referred

S.F. No. 1819: A bill for an act relating to housing; landlord and tenant; providing for tenant's remedies for failure of owner to repair premises; authorizing tenants in single-metered residential buildings to pay for gas and electric utilities and deduct the payments from rent due; providing a procedure for actions involving nonpayment of rent; providing penalties; amending Minnesota Statutes 1986, section 566.28; proposing coding for new law in Minnesota Statutes, chapters 504 and 506.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [504.185] [EMERGENCY CONDITIONS; LOSS OF ESSENTIAL SERVICES.]

Subdivision 1. [DEFINITIONS.] For the purposes of this section, the following terms have the meanings given to them.

(a) "Owner" has the meaning given to it in section 566.18, subdivision 3.

(b) "Tenant" has the meaning given to it in section 566.18, subdivision 2.

(c) "Building" has the meaning given to it in section 566.18, subdivision 7.

Subd. 2. [PROCEDURE.] When a municipality, utility company, or other company supplying home heating oil, propane, natural gas, electricity, or

water to a building has discontinued the service to the building because an owner who has contracted for the service has failed to pay for it, a tenant or group of tenants may pay to have the service reconnected as provided under this section. Before paying for the service, the tenant or group of tenants shall give oral or written notice to the owner of the tenant's intention to pay after 48 hours, or a shorter period that is reasonable under the circumstances, if the owner has not already paid for the service. In the case of oral notification, written notice shall be mailed or delivered to the owner within 24 hours after oral notice is given.

(a) In the case of natural gas, electricity, or water, if the owner has not yet paid the bill by the time of the tenant's intended payment, or if the service remains discontinued, the tenant or tenants may pay the outstanding bill for the most recent billing period, if the utility company or municipality will restore the service for at least one billing period.

(b) In the case of home heating oil or propane, if the owner has not yet paid the bill by the time of the tenant's intended payment, or if the service remains discontinued, the tenant or tenants may order and pay for one month's supply of the proper grade and quality of oil or propane.

After submitting receipts for the payment to the owner, a tenant may deduct the amount of the tenant's payment from the rental payment next paid to the owner. Any amount paid to the municipality, utility company, or other company by a tenant under this subdivision is considered payment of rent to the owner for purposes of section 504.02.

Subd. 3. [LIMITATIONS; WAIVER PROHIBITED; RIGHTS AS ADDITIONAL.] The tenant rights under this section:

(1) do not extend to conditions caused by the willful, malicious, or negligent conduct of the tenant or of a person under the tenant's direction or control;

(2) may not be waived or modified; and

(3) are in addition to and do not limit other rights which may be available to the tenant in law or equity, including the right to damages and the right to restoration of possession of the premises under section 504.02."

Delete the title and insert:

"A bill for an act relating to landlord and tenant; authorizing tenants to pay for certain utilities and deduct the payments from rent due; proposing coding for new law in Minnesota Statutes, chapter 504."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Frank from the Committee on Economic Development and Housing, to which was re-referred

S.F. No. 2345: A bill for an act relating to agriculture; changing and clarifying the small business development loan portion of the agricultural resource loan guarantee program; amending Minnesota Statutes 1987 Supplement, sections 41A.02, subdivision 16; and 41A.036, by adding subdivisions.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1987 Supplement, section 41A.036, is amended by adding a subdivision to read:

Subd. 4. [EXEMPTION FROM LIMITATION.] If the board determines that a business is eligible for special assistance, the \$1,000,000 limitation established in subdivision 1 does not apply.

Sec. 2. Minnesota Statutes 1987 Supplement, section 41A.036, is amended by adding a subdivision to read:

Subd. 5. [DESIGNATION; CRITERIA.] A business is not eligible to receive special assistance unless the board has passed a resolution designating the business as being in need of special assistance. The resolution must include significant findings that the designation and receipt of the special assistance will be of exceptional benefit to the state of Minnesota in that at least three of the following criteria are met:

(1) to expand or remain in Minnesota, the business has demonstrated that it cannot obtain suitable financing from other sources;

(2) special assistance will enable a business not currently located in Minnesota to locate a facility in Minnesota that directly increases the number of jobs in the state;

(3) the business will create or retain significant numbers of jobs in a Minnesota community; and

(4) the business will maintain a significant level of productivity in Minnesota during the ensuing five-year period.

Sec. 3. Minnesota Statutes 1987 Supplement, section 41A.036, is amended by adding a subdivision to read:

Subd. 6. [SET ASIDE.] The board shall reserve at least \$3,000,000 for the purpose of making or purchasing small business development loans not exceeding \$250,000 in principal amount with respect to small business loans made or purchased by the board and not exceeding \$250,000 in principal amount with respect to the board's share when the board participates in making or purchasing small business loans.

Sec. 4. [REPEALER.]

Section 3 is repealed July 1, 1989.”

Delete the title and insert:

“A bill for an act relating to economic development; creating an exception to the \$1,000,000 limitation on small business development loans under the Minnesota agricultural and economic development program for certain businesses; providing a set-aside amount for certain small business loans; amending Minnesota Statutes 1987 Supplement, section 41A.036, by adding subdivisions.”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Frank from the Committee on Economic Development and Housing, to which was referred

S.F. No. 2016: A bill for an act relating to bonds; authorizing the Minnesota public facilities authority to issue revenue bonds and make loans to or purchase the bonds of municipalities for wastewater treatment and water supply systems; amending Minnesota Statutes 1986, section 475.58, subdivision 1; Minnesota Statutes 1987 Supplement, sections 446A.03, by adding a subdivision; 446A.04, by adding subdivisions; 446A.05, subdivision 1; and proposing coding for new law in Minnesota Statutes, chapter 446A.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1987 Supplement, section 446A.03, is amended by adding a subdivision to read:

Subd. 8. [TAX EXEMPT STATUS.] The authority is exempt from taxation under chapters 290 and 297A.

Sec. 2. Minnesota Statutes 1987 Supplement, section 446A.04, is amended by adding a subdivision to read:

Subd. 6. [PROPERTY.] The authority may acquire, encumber, hold, and convey through lease, purchase, gift, or otherwise, any real or personal property.

Sec. 3. Minnesota Statutes 1987 Supplement, section 446A.04, is amended by adding a subdivision to read:

Subd. 7. [IN GENERAL.] The authority has all the powers necessary and convenient to carry out its duties under sections 4 to 13.

Sec. 4. Minnesota Statutes 1987 Supplement, section 446A.05, subdivision 1, is amended to read:

Subdivision 1. [LOANS AND LOAN PURCHASES.] The authority may make and contract to make loans to governmental units to finance projects that the governmental unit may construct or acquire or may acquire or contract to acquire notes and bonds issued by governmental units to finance those projects. A loan may not be used to pay current expenses or obligations, except for temporary financing. A loan made by the authority must be secured by notes or bonds of the borrowing governmental unit.

Sec. 5. [446A.051] [PROJECT FINANCIAL ASSISTANCE.]

The authority shall assist eligible governmental units in determining what grants or loans under sections 446A.06 and 446A.07 to apply for to finance projects and the manner in which the governmental unit will pay for its portion of the project cost. The authority shall review the proposed financing for each project certified by the agency to ascertain whether or not: (1) total financing of a project is assured; and (2) the governmental unit's financial plan to pay for its portion of the project cost is feasible.

Sec. 6. [446A.12] [ISSUANCE OF BONDS.]

Subdivision 1. [BONDING AUTHORITY.] The authority may issue negotiable bonds in a principal amount that the authority determines necessary to provide sufficient funds for achieving its purposes, including the

making of loans and purchase of securities, the payment of interest on bonds of the authority, the establishment of reserves to secure its bonds, the payment of fees to a third party providing credit enhancement, and the payment of all other expenditures of the authority incident to and necessary or convenient to carry out its corporate purposes and powers. Bonds of the authority may be issued as bonds or notes or in any other form authorized by law. The principal amount of bonds issued and outstanding under this section at any time may not exceed \$100,000,000.

Subd. 2. [REFUNDING OF BONDS.] The authority may issue bonds to refund outstanding bonds of the authority, to pay any redemption premiums on those bonds, and to pay interest accrued or to accrue to the redemption date next succeeding the date of delivery of the refunding bonds. The authority may apply the proceeds of any refunding bonds to the purchase or payment at maturity of the bonds to be refunded, or to the redemption of outstanding bonds on the redemption date next succeeding the date of delivery of the refunding bonds and may, pending the application, place the proceeds in escrow to be applied to the purchase, retirement, or redemption. Pending use, escrowed proceeds may be invested and reinvested in obligations issued or guaranteed by the state or the United States or by any agency or instrumentality of the state or the United States, or in certificates of deposit or time deposits secured in a manner determined by the authority, maturing at a time appropriate to assure the prompt payment of the principal and interest and redemption premiums, if any, on the bonds to be refunded. The income realized on any investment may also be applied to the payment of the bonds to be refunded. After the terms of the escrow have been fully satisfied, any balance of the proceeds and any investment income may be returned to the authority for use by it in any lawful manner. All refunding bonds issued under this subdivision must be issued and secured in the manner provided by resolution of the authority.

Subd. 3. [KIND OF BONDS.] Bonds issued under this section must be negotiable investment securities within the meaning and for all purposes of the uniform commercial code, subject only to the provisions of the bonds for registration. The bonds issued may be either general obligations of the authority, secured by its full faith and credit and payable out of any money, assets, or revenues of the authority, subject to the provisions of resolutions or indenture pledging and appropriating particular money, assets, or revenues to particular bonds, or limited obligations of the authority not secured by its full faith and credit and payable solely from specified sources or assets.

Subd. 4. [RESOLUTION AND TERMS OF SALE.] The bonds of the authority must be authorized by a resolution or resolutions adopted by the authority. The bonds must bear the date or dates, mature at the time or times, bear interest at a fixed or variable rate, including a rate varying periodically at the time or times and on the terms determined by the authority, or any combination of fixed and variable rates, be in the denominations, be in the form, carry the registration privileges, be executed in the manner, be payable in lawful money of the United States, at the place or places within or without the state, and be subject to the terms of redemption or purchase before maturity as the resolutions or certificates provide. If, for any reason existing at the date of issue of the bonds or existing at the date of making or purchasing any loan or securities from the proceeds or after that date, the interest on the bonds is or becomes subject to federal income taxation, this fact does not affect the validity or the provisions

made for the security of the bonds. The authority may make covenants and take or have taken actions that are in its judgment necessary or desirable to comply with conditions established by federal law or regulations for the exemption of interest on its obligations. The authority may refrain from compliance with those conditions if in its judgment this would serve the purposes and policies set forth in this chapter with respect to any particular issue of bonds, unless this would violate covenants made by the authority. The maximum maturity of a bond, whether or not issued for the purpose of refunding, must be 30 years from its date. The bonds of the authority may be sold at public or private sale, at a price or prices determined by the authority; provided that (i) the aggregate price at which an issue of bonds is initially offered by underwriters to investors, as stated in the authority's official statement with respect to the offering, must not exceed by more than three percent the aggregate price paid by the underwriters to the authority at the time of delivery; (ii) the commission paid by the authority to an underwriter for placing an issue of bonds with investors must not exceed three percent of the aggregate price at which the issue is offered to investors as stated in the authority's offering statement; and (iii) the spread or commission must be an amount determined by the authority to be reasonable in the light of the risk assumed and the expenses of issuance, if any, required to be paid by the underwriters.

Sec. 7. [446A.13] [TENDER OPTION.]

An obligation may be issued giving its owner the right to tender or the authority to demand tender of the obligation to the authority or another person designated by it, for purchase at a specified time or times, if the authority has first entered into an agreement with a suitable financial institution obligating the financial institution to provide funds on a timely basis for purchase of bonds tendered. The obligation is not considered to mature on any tender date and the purchase of a tendered obligation is not considered a payment or discharge of the obligation by the authority. Obligations tendered for purchase may be remarketed by or on behalf of the authority or another purchaser. The authority may enter into agreements it considers appropriate to provide for the purchase and remarketing of tendered obligations, including:

(1) provisions under which undelivered obligations may be considered tendered for purchase and new obligations may be substituted for them;

(2) provisions for the payment of charges of tender agents, remarketing agents, and financial institutions extending lines of credit or letters of credit assuring repurchase; and

(3) provisions for reimbursement of advances under letters of credit that may be paid from the proceeds of the obligations or from tax and other revenues appropriated for the payment and security of the obligations and similar or related provisions.

Sec. 8. [446A.14] [INTEREST EXCHANGES.]

The authority may enter into an agreement with a third party for an exchange of interest rates under this subdivision. With respect to outstanding obligations bearing interest at a variable rate, the authority may agree to pay sums equal to interest at a fixed rate or at a different variable rate determined in accordance with a formula set out in the agreement on an amount not exceeding the outstanding principal amount of the obligations, in exchange for an agreement by the third party to pay sums equal to

interest on a similar amount at a variable rate determined according to a formula set out in the agreement. With respect to outstanding obligations bearing interest at a fixed rate or rates, the authority may agree to pay sums equal to interest at a variable rate determined according to a formula set out in the agreement on an amount not exceeding the outstanding principal amount of the obligations in exchange for an agreement by the third party to pay sums equal to interest on a similar amount at a fixed rate or rates set out in the agreement. Subject to any applicable bonds covenants, payments required to be made by the municipality under the swap agreement may be made from amounts secured to pay debt service on the obligations with respect to which the swap agreement was made from any other available source of the authority.

Sec. 9. [446A.15] [BOND FUND.]

Subdivision 1. [CREATION AND CONTENTS.] The authority may establish a special fund or funds for the security of one or more or all series of its bonds. The funds must be known as debt service reserve funds. The authority may pay into each debt service reserve fund:

(1) any money appropriated by the state only for the purposes of the fund;

(2) the proceeds of sale of bonds to the extent provided in the resolution or indenture authorizing the issuance of them;

(3) funds directed to be transferred by the authority to the debt service reserve fund; and

(4) other money made available to the authority from any other source only for the purpose of the fund.

Subd. 2. [USE OF FUNDS.] Except as provided in this section, the money credited to each debt service reserve fund must be used only for the payment of the principal of bonds of the authority as they mature, the purchase of the bonds, the payment of interest on them, or the payment of any premium required when the bonds are redeemed before maturity. Money in a debt service reserve fund must not be withdrawn at a time and in an amount that reduces the amount of the fund to less than the amount the authority determines to be reasonably necessary for the purposes of the fund. However, money may be withdrawn to pay principal or interest due on bonds secured by the fund if other money of the authority is not available.

Subd. 3. [INVESTMENT.] Money in a debt service reserve fund not required for immediate use may be invested in accordance with section 446A.11, subdivision 9, paragraph (b).

Subd. 4. [MINIMUM AMOUNT OF RESERVE AT ISSUANCE.] If the authority establishes a debt service reserve fund for the security of any series of bonds, it shall not issue additional bonds that are similarly secured if the amount of any of the debt service reserve funds at the time of issuance does not equal or exceed the minimum amount required by the resolution creating the fund, unless the authority deposits in each fund at the time of issuance, from the proceeds of the bonds, or otherwise, an amount that when added together with the amount then in the fund will be at least the minimum amount required.

Subd. 5. [TRANSFER OF EXCESS.] To the extent consistent with the resolutions and indentures securing outstanding bonds, the authority may at the close of a fiscal year transfer to any other fund or account from

any debt service reserve fund any excess in that reserve fund over the amount determined by the authority to be reasonably necessary for the purpose of the reserve fund.

Subd. 6. [CERTIFICATION AND BUDGET REQUEST.] *To assure the payment of the principal of and interest on bonds of the authority and the continued maintenance of all debt service reserve funds created and established for that payment, the authority shall annually determine and certify to the governor, on or before December 1, the following amounts:*

(1) *the amount then needed to restore each debt service reserve fund to the minimum amount required by the resolution or indenture establishing the fund, but not exceeding the maximum amount of principal and interest to become due and payable in any later year on all bonds that are then outstanding and secured by the fund; and*

(2) *the amount determined by the authority to be needed in the immediately ensuing fiscal year, with other funds pledged and estimated to be received during that year, for the payment of the principal and interest due and payable in that year on all then outstanding bonds secured by a debt service reserve fund the amount of which is then less than the minimum amount agreed.*

The governor shall include in the proposed biennial budget for the following fiscal year, or in a supplemental budget if the biennial budget has previously been approved, the amounts certified by the authority in accordance with this subdivision.

Sec. 10. [446A.16] [MONEY OF THE AUTHORITY.]

Subdivision 1. [FUNCTIONS OF STATE TREASURER.] *Except as otherwise provided in this section, money of the authority must be paid to the state treasurer as agent of the authority and the treasurer shall not commingle the money with other money. The money in the accounts of the authority must be paid out only on warrants drawn by the commissioner of finance on requisition of the chair of the authority or of another officer or employee as the authority authorizes. Deposits of the authority's money must, if required by the state treasurer or the authority, be secured by obligations of the United States or of the state of a market value equal at all times to the amount of the deposit and all banks and trust companies are authorized to give security for the deposits.*

Subd. 2. [CONTRACTS AND SECURITY.] *Notwithstanding the provisions of this section, the authority may, with the approval of the state treasurer, contract with the holders of any of its bonds as to the custody, collection, securing, investment, and payment of money of the authority or money held in trust or otherwise for the payment of bonds, and to carry out the contract. Money held in trust or otherwise for the payment of bonds or in any way to secure bonds and deposits of the money may be secured in the same manner as money of the authority, and all banks and trust companies are authorized to give security for the deposits. All money paid to the state treasurer as agent of the authority is appropriated to the authority.*

Subd. 3. [SYSTEM OF ACCOUNTS.] *Subject to agreements with bondholders, the commissioner of finance shall prescribe a system of accounts.*

Sec. 11. [446A.17] [NONLIABILITY.]

Subdivision 1. [NONLIABILITY OF INDIVIDUALS.] *No member of*

the authority or other person executing the bonds is liable personally on the bonds or is subject to any personal liability or accountability by reason of their issuance.

Subd. 2. [NONLIABILITY OF STATE.] The state is not liable on bonds of the authority issued under this chapter and those bonds are not a debt of the state. The bonds must contain on their face a statement to that effect.

Sec. 12. [466A.18] [PURCHASE AND CANCELLATION BY AUTHORITY.]

Subject to agreements with bondholders that may then exist, the authority may purchase out of funds available for the purpose, bonds of the authority which shall then be canceled, at a price not exceeding the following amounts:

(1) if the bonds are then redeemable, the redemption price then applicable plus accrued interest to the next interest payment date of the bonds; or

(2) if the bonds are not redeemable, the redemption price applicable on the first date after the purchase upon which the bonds become subject to redemption plus accrued interest to that date.

Sec. 13. [466A.19] [STATE PLEDGE AGAINST IMPAIRMENT OF CONTRACTS.]

The state pledges and agrees with the holders of bonds issued under sections 6 to 14 that the state will not limit or alter the rights vested in the authority to fulfill the terms of any agreements made with the bondholders or in any way impair the rights and remedies of the holders until the bonds, together with interest on them, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of the bondholders, are fully met and discharged. The authority may include this pledge and agreement of the state in any agreement with the holders of bonds issued under sections 6 to 14.

Sec. 14. [466A.20] [RESERVES; FUNDS; ACCOUNTS.]

The authority may establish reserves, funds, or accounts necessary to carry out the purposes of the authority or to comply with any agreement made by or any resolution passed by the authority.

Sec. 15. [EFFECTIVE DATE.]

Sections 1 to 14 are effective the day following final enactment."

Amend the title as follows:

Page 1, line 6, delete everything after "amending"

Page 1, line 7, delete "subdivision 1;"

And when so amended the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Amendments adopted. Report adopted.

Mr. Frank from the Committee on Economic Development and Housing, to which was referred

S.F. No. 1462: A bill for an act relating to housing; enabling counties and cities to establish low income housing trust funds; assessing a mortgage registry tax to finance the low income housing trust fund, and providing

for the uses of the funds; amending Minnesota Statutes 1986, sections 287.05, by adding a subdivision; and 287.12; proposing coding for new law in Minnesota Statutes, chapters 373 and 462.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1987 Supplement, section 82.17, subdivision 6, is amended to read:

Subd. 6. "Trust account" means, for purposes of this chapter, a savings account, negotiable order of withdrawal account, demand deposit or checking account maintained for the purpose of segregating trust funds from other funds. A trust account ~~shall not must be an interest bearing interest-bearing account except by agreement of the parties and subject to rules of the commissioner, paying the highest current passbook savings account rate of interest offered by the depository bank or industrial loan and thrift company and shall must~~ not allow the financial institution a right of set off against money owed it by the licensee.

Sec. 2. Minnesota Statutes 1986, section 82.24, is amended by adding a subdivision to read:

Subd. 8. [ACCRUED INTEREST.] (a) Each broker shall maintain a pooled interest-bearing trust account for deposit of client funds. The interest accruing on the trust account, less reasonable transaction costs, must be paid to the state treasurer, unless otherwise specified by the parties to a transaction by express written agreement.

(b) For an account created under paragraph (a), each broker shall direct the depository bank or industrial loan and thrift company to:

(1) pay the interest, less reasonable transaction costs, as computed in accordance with the depository bank's or industrial loan and thrift company's standard accounting practice, at least quarterly, to the state treasurer; and

(2) send a statement to the state treasurer showing the name of the broker for whom the payment is made, the rate of interest applied, the amount of service charges deducted, and the account balance for the period in which the report is made.

(c) The state treasurer shall credit five percent of the amount collected under this subdivision to the real estate education, research and recovery fund established in section 82.34, subdivision 1. The state treasurer shall credit 95 percent of the amount collected under this subdivision to the housing trust fund account established in section 5.

Sec. 3. Minnesota Statutes 1986, section 82.34, subdivision 6, is amended to read:

Subd. 6. The commissioner may expend money as appropriated for the following purposes:

(a) To promote the advancement of education and research in the field of real estate for the benefit of those licensed under this chapter;

(b) To underwrite educational seminars and other forms of educational projects for the benefit of real estate licensees;

(c) To establish a real estate chair or courses at Minnesota state institutions of higher learning for the purpose of making such courses available to licensees and the general public;

(d) To contract for a particular educational or research project in the field of real estate to further the purposes of this chapter;

(e) To pay the costs of the real estate advisory council established under section 82.30; and

(f) To pay any reasonable costs and disbursements, excluding attorney's fees, incurred in defending actions against the real estate education, research and recovery fund including the cost of mailing or publication of notice pursuant to subdivisions 12 and 14; and

(g) To provide information to the public on housing issues, including environmental safety, energy conservation, and housing finance and affordability.

Sec. 4. Minnesota Statutes 1986, section 82.34, subdivision 15, is amended to read:

Subd. 15. Any sums received by the commissioner pursuant to any provisions of this section shall be deposited in the state treasury, and credited to the real estate education, research and recovery fund, and said sums shall be allocated exclusively for the purposes provided in this section. All moneys in the fund are appropriated annually to the commissioner for the purposes of this section.

All money credited to the fund under section 2 may only be used for purposes under subdivision 6, clause (g). Beginning in 1990, the commissioner must, on February 1 of each year, review the amount of money spent or allocated for uses under subdivision 6, clause (g), for the previous calendar year. If the amount spent or allocated is less than the amount deposited in the fund under section 2 during the same calendar year, the difference must be transferred from the fund to the housing trust fund account established in section 5.

Sec. 5. [462A.201] [HOUSING TRUST FUND ACCOUNT.]

Subdivision 1. [CREATION.] (a) *The housing trust fund account is created as a separate account in the housing development fund.*

(b) *The housing trust fund account consists of:*

(1) *money appropriated and transferred from other state funds;*

(2) *interest accrued from real estate trust accounts as provided under section 2;*

(3) *gifts, grants, and donations received from the United States, private foundations, and other sources; and*

(4) *money made available to the agency for the purpose of the account from other sources.*

Subd. 2. [LOW-INCOME HOUSING.] *The agency may use money from the housing trust fund account to provide loans or grants for projects for the development, construction, acquisition, preservation, and rehabilitation of low-income rental and limited equity cooperative housing units. At least 75 percent of the units must be rented to or cooperatively owned by persons and families at or below 30 percent of the median family income*

for the metropolitan area as defined in section 473.121, subdivision 2. To promote the geographic distribution of grants and loans, the agency may designate a portion of the grant or loan awards to be set aside for projects located in specified congressional districts or other geographical regions specified by the agency. The agency may adopt emergency and permanent rules for awarding grants and loans under this subdivision. The emergency rules are effective for 360 days or until the permanent rules are adopted, whichever occurs first.

Subd. 3. [MATCHING FUNDS.] The agency may use money from the housing trust fund account to match federal, local, or private money to be used for projects authorized under subdivision 2.

Subd. 4. [ADVISORY COMMITTEE.] The agency may establish an eight member advisory committee under section 15.059 to advise or assist the agency in providing loans or grants from the housing trust fund account. Members of the committee must represent the interests of realtors, apartment owners, lenders, nonprofit developers, advocates for the homeless, low-income persons, housing advocates, and single or multifamily home builders."

Delete the title and insert:

"A bill for an act relating to housing; creating a low-income housing trust fund account; providing for the uses of the account; placing certain requirements on real estate trust fund accounts; amending Minnesota Statutes 1986, sections 82.24, by adding a subdivision; and 82.34, subdivisions 6 and 15; Minnesota Statutes 1987 Supplement, section 82.17, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 462A."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2038 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2038	2039				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2038 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2038 and insert the language after the enacting clause of S.F. No. 2039, the first engrossment; further, delete the title of H.F. No. 2038 and insert the title of S.F. No. 2039, the first engrossment.

And when so amended H.F. No. 2038 will be identical to S.F. No. 2039, and further recommends that H.F. No. 2038 be given its second reading and substituted for S.F. No. 2039, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1795 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1795	1617				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1795 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1795 and insert the language after the enacting clause of S.F. No. 1617, the second engrossment; further, delete the title of H.F. No. 1795 and insert the title of S.F. No. 1617, the second engrossment.

And when so amended H.F. No. 1795 will be identical to S.F. No. 1617, and further recommends that H.F. No. 1795 be given its second reading and substituted for S.F. No. 1617, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2372 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2372	2273				

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1877 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1877	1732				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1877 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1877 and insert the language after the enacting clause of S.F. No. 1732, the first engrossment; further, delete the title of H.F. No. 1877 and insert the title of S.F. No. 1732, the first engrossment.

And when so amended H.F. No. 1877 will be identical to S.F. No. 1732, and further recommends that H.F. No. 1877 be given its second reading and substituted for S.F. No. 1732, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 2405, 1819 and 2345 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 2038, 1795, 2372 and 1877 were read the second time.

MOTIONS AND RESOLUTIONS

SUSPENSION OF RULES

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the Calendar and that the rules of the Senate be so far suspended as to waive the lie-over requirement. The motion prevailed.

CALENDAR

H.F. No. 1867: A bill for an act relating to Washington county; repealing a provision for county board expenses; repealing Laws 1965, chapter 524, as amended.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 57 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Jude	Merriam	Schmitz
Anderson	Dicklich	Knutson	Metzen	Solon
Beckman	Diessner	Kroening	Moe, D.M.	Spear
Berglin	Frank	Laidig	Moe, R.D.	Storm
Bernhagen	Frederick	Langseth	Morse	Stumpf
Bertram	Frederickson, D.J.	Lantry	Olson	Taylor
Brataas	Frederickson, D.R.	Larson	Pehler	Vickerman
Chmielewski	Freeman	Lessard	Peterson, D.C.	Waldorf
Cohen	Gustafson	Luther	Piper	Wegscheid
Dahl	Hughes	Marty	Pogemiller	
Davis	Johnson, D.E.	McQuaid	Ramstad	
Decker	Johnson, D.J.	Mehrkens	Renneke	

Messrs. Benson and Peterson, R. W. voted in the negative.

So the bill passed and its title was agreed to.

H.F. No. 1846: A bill for an act relating to environment; authorizing

inspection of certain records kept by waste facilities; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 115A.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 58 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Mehrkens	Renneke
Anderson	Decker	Jude	Metzen	Schmitz
Beckman	DeCramer	Knutson	Moe, D.M.	Solon
Belanger	Dicklich	Kroening	Moe, R.D.	Spear
Benson	Diessner	Laidig	Morse	Storm
Berglin	Frank	Langseth	Olson	Stumpf
Bernhagen	Frederick	Lantry	Peterson, D.C.	Taylor
Bertram	Frederickson, D.J.	Larson	Peterson, R.W.	Vickerman
Brataas	Frederickson, D.R.	Lessard	Piper	Waldorf
Chmielewski	Freeman	Luther	Pogemiller	Wegscheid
Cohen	Gustafson	Marty	Ramstad	
Dahl	Johnson, D.E.	McQuaid	Reichgott	

Messrs. Merriam and Pehler voted in the negative.

So the bill passed and its title was agreed to.

H.F. No. 2083: A bill for an act relating to health; making technical modifications of the immunization law; amending Minnesota Statutes 1986, section 123.70, subdivisions 1, 2, 3, 4, 5, 7, 8, and 9.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Mehrkens	Renneke
Anderson	Decker	Jude	Merriam	Schmitz
Beckman	DeCramer	Knaak	Metzen	Solon
Belanger	Dicklich	Knutson	Moe, D.M.	Spear
Benson	Diessner	Kroening	Moe, R.D.	Storm
Berglin	Frank	Laidig	Morse	Stumpf
Bernhagen	Frederick	Langseth	Olson	Taylor
Bertram	Frederickson, D.J.	Lantry	Pehler	Vickerman
Brandl	Frederickson, D.R.	Larson	Peterson, D.C.	Waldorf
Brataas	Freeman	Lessard	Peterson, R.W.	Wegscheid
Chmielewski	Gustafson	Luther	Piper	
Cohen	Hughes	Marty	Ramstad	
Dahl	Johnson, D.E.	McQuaid	Reichgott	

So the bill passed and its title was agreed to.

S.F. No. 1646: A bill for an act relating to insurance; accident and health; clarifying certain coverages for newborn infants; amending Minnesota Statutes 1986, section 62A.042.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.J.	Mehrrens	Reichgott
Anderson	Davis	Jude	Merriam	Renneke
Beckman	Decker	Knaak	Metzen	Schmitz
Belanger	DeCramer	Knutson	Moe, D.M.	Solon
Benson	Dicklich	Kroening	Moe, R.D.	Spear
Berg	Frank	Laidig	Morse	Storm
Berglin	Frederick	Langseth	Olson	Stumpf
Bernhagen	Frederickson, D.J.	Lantry	Pehler	Taylor
Bertram	Frederickson, D.R.	Larson	Peterson, D.C.	Vickerman
Brandl	Freeman	Lessard	Peterson, R.W.	Waldorf
Brataas	Gustafson	Luther	Piper	Wegscheid
Chmielewski	Hughes	Marty	Purfeerst	
Cohen	Johnson, D.E.	McQuaid	Ramstad	

So the bill passed and its title was agreed to.

H.F. No. 1790: A bill for an act relating to commerce; safe deposit companies; providing for performance of will searches upon safe deposit box renter's death; amending Minnesota Statutes 1986, section 55.10, by adding a subdivision.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	McQuaid	Purfeerst
Anderson	Davis	Johnson, D.J.	Mehrrens	Ramstad
Beckman	Decker	Jude	Merriam	Reichgott
Belanger	DeCramer	Knaak	Metzen	Renneke
Benson	Dicklich	Knutson	Moe, D.M.	Schmitz
Berg	Diessner	Kroening	Moe, R.D.	Solon
Berglin	Frank	Laidig	Morse	Spear
Bernhagen	Frederick	Langseth	Olson	Storm
Bertram	Frederickson, D.J.	Lantry	Pehler	Stumpf
Brandl	Frederickson, D.R.	Larson	Peterson, D.C.	Taylor
Brataas	Freeman	Lessard	Peterson, R.W.	Vickerman
Chmielewski	Gustafson	Luther	Piper	Waldorf
Cohen	Hughes	Marty	Pogemiller	Wegscheid

So the bill passed and its title was agreed to.

H.F. No. 85: A bill for an act relating to consumer protection; requiring certain disclosures in sales of used motor vehicles; regulating new and used motor vehicle licenses; providing certain standards in applications for certificates of title; requiring certain disclosures upon the transfer of a motor vehicle; amending Minnesota Statutes 1986, sections 168.27, subdivisions 1, 2, 3, 4, 8, 10, 12, and 24; 169.57, by adding a subdivision; 325E.0951, by adding a subdivision; 325G.18; and 336.2-316; proposing coding for new law in Minnesota Statutes, chapters 168 and 168A.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.J.	Mehrkens	Ramstad
Anderson	Decker	Jude	Merriam	Reichgott
Beckman	DeCramer	Knaak	Metzen	Renneke
Belanger	Dicklich	Knutson	Moe, D.M.	Schmitz
Benson	Diessner	Kroening	Moe, R.D.	Solon
Berg	Frank	Laidig	Morse	Spear
Berglin	Frederick	Langseth	Olson	Storm
Bernhagen	Frederickson, D.J.	Lantry	Pehler	Stumpf
Bertram	Frederickson, D.R.	Larson	Peterson, D.C.	Taylor
Brandl	Freeman	Lessard	Peterson, R.W.	Vickerman
Brataas	Gustafson	Luther	Piper	Waldorf
Chmielewski	Hughes	Marty	Pogemiller	Wegscheid
Cohen	Johnson, D.E.	McQuaid	Purfeerst	

Mr. Davis voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 1875: A bill for an act relating to the city of Minneapolis; authorizing contracts with labor organizations for the provision of certain skilled trade and craft services.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	McQuaid	Purfeerst
Anderson	Davis	Johnson, D.J.	Mehrkens	Ramstad
Beckman	Decker	Jude	Merriam	Reichgott
Belanger	DeCramer	Knaak	Metzen	Renneke
Benson	Dicklich	Knutson	Moe, D.M.	Schmitz
Berg	Diessner	Kroening	Moe, R.D.	Solon
Berglin	Frank	Laidig	Morse	Spear
Bernhagen	Frederick	Langseth	Olson	Storm
Bertram	Frederickson, D.J.	Lantry	Pehler	Stumpf
Brandl	Frederickson, D.R.	Larson	Peterson, D.C.	Taylor
Brataas	Freeman	Lessard	Peterson, R.W.	Vickerman
Chmielewski	Gustafson	Luther	Piper	Waldorf
Cohen	Hughes	Marty	Pogemiller	Wegscheid

So the bill passed and its title was agreed to.

S.F. No. 1587: A bill for an act relating to transportation; authorizing vending machines in certain highway rest areas, weigh stations, and tourist information centers; amending Minnesota Statutes 1986, section 160.28, subdivision 2.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 57 and nays 7, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.J.	Merriam	Ramstad
Anderson	Davis	Jude	Metzen	Reichgott
Beckman	Decker	Knaak	Moe, D.M.	Schmitz
Belanger	DeCramer	Knutson	Moe, R.D.	Solon
Benson	Dicklich	Kroening	Morse	Spear
Berg	Diessner	Laidig	Olson	Stumpf
Berglin	Frank	Langseth	Pehler	Vickerman
Bernhagen	Frederick	Lantry	Peterson, D.C.	Waldorf
Bertram	Frederickson, D.J.	Lessard	Peterson, R.W.	Wegscheid
Brandl	Freeman	Luther	Piper	
Chmielewski	Hughes	Marty	Pogemiller	
Cohen	Johnson, D.E.	McQuaid	Purfeerst	

Those who voted in the negative were:

Frederickson, D.R.	Larson	Renneke	Storm	Taylor
Gustafson	Mehrkens			

So the bill passed and its title was agreed to.

H.F. No. 1806: A bill for an act relating to state agencies; amending and repealing various statutes administered by the state board of investments; amending Minnesota Statutes 1986, sections 11A.17, subdivisions 1, 4, 9, 11, and 14; 11A.19, subdivision 4; and 352D.04, subdivision 1; Minnesota Statutes 1987 Supplement, sections 11A.24, subdivisions 4 and 6; 136.81, subdivision 3; and 353D.05, subdivision 2; repealing Minnesota Statutes 1986, section 11A.17, subdivisions 12 and 13.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	McQuaid	Purfeerst
Anderson	Davis	Johnson, D.J.	Mehrkens	Ramstad
Beckman	Decker	Jude	Merriam	Reichgott
Belanger	DeCramer	Knaak	Metzen	Renneke
Benson	Dicklich	Knutson	Moe, D.M.	Schmitz
Berg	Diessner	Kroening	Moe, R.D.	Solon
Berglin	Frank	Laidig	Morse	Spear
Bernhagen	Frederick	Langseth	Olson	Storm
Bertram	Frederickson, D.J.	Lantry	Pehler	Stumpf
Brandl	Frederickson, D.R.	Larson	Peterson, D.C.	Taylor
Brataas	Freeman	Lessard	Peterson, R.W.	Vickerman
Chmielewski	Gustafson	Luther	Piper	Waldorf
Cohen	Hughes	Marty	Pogemiller	Wegscheid

So the bill passed and its title was agreed to.

S.F. No. 1564: A bill for an act relating to traffic regulations; regulating the operation of motorized bicycles; amending Minnesota Statutes 1987 Supplement, section 169.223.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.J.	Mehrkens	Ramstad
Anderson	Davis	Jude	Merriam	Reichgott
Beckman	Decker	Knaak	Metzen	Renneke
Belanger	DeCramer	Knutson	Moe, D.M.	Schmitz
Benson	Dicklich	Kroening	Moe, R.D.	Solon
Berg	Diessner	Laidig	Morse	Spear
Berglin	Frank	Langseth	Olson	Storm
Bernhagen	Frederick	Lantry	Pehler	Stumpf
Bertram	Frederickson, D.J.	Larson	Peterson, D.C.	Taylor
Brandl	Frederickson, D.R.	Lessard	Peterson, R.W.	Vickerman
Brataas	Gustafson	Luther	Piper	Waldorf
Chmielewski	Hughes	Marty	Pogemiller	Wegscheid
Cohen	Johnson, D.E.	McQuaid	Purfeerst	

So the bill passed and its title was agreed to.

S.F. No. 1686: A bill for an act relating to agriculture; prescribing procedure for delivery of dry edible beans from a grain warehouse; requiring

the grade of dry edible beans on warehouse receipts; prescribing a redelivery charge; amending Minnesota Statutes 1986, sections 223.16, subdivision 4; 232.21, subdivision 7; and 232.23, by adding a subdivision.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Mehrkens	Ramstad
Anderson	Decker	Jude	Merriam	Reichgott
Beckman	DeCramer	Knaak	Metzen	Renneke
Belanger	Dicklich	Knutson	Moe, D.M.	Samuelson
Benson	Diessner	Kroening	Moe, R.D.	Schmitz
Berg	Frank	Laidig	Morse	Solon
Berglin	Frederick	Langseth	Olson	Spear
Bernhagen	Frederickson, D.J.	Lantry	Pehler	Storm
Bertram	Frederickson, D.R.	Larson	Peterson, D.C.	Stumpf
Brandl	Freeman	Lessard	Peterson, R.W.	Taylor
Brataas	Gustafson	Luther	Piper	Vickerman
Cohen	Hughes	Marty	Pogemiller	Waldorf
Dahl	Johnson, D.E.	McQuaid	Purfeerst	Wegscheid

So the bill passed and its title was agreed to.

H.F. No. 1940: A bill for an act relating to consumer protection; requiring certain disclosures regarding storage fees imposed by repair shops; amending Minnesota Statutes 1986, sections 325F58, subdivision 3; and 325F62, subdivision 3; Minnesota Statutes 1987 Supplement, sections 325F56, subdivision 8; and 325F60, subdivision 1.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 57 and nays 8, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.E.	Mehrkens	Ramstad
Anderson	Decker	Johnson, D.J.	Metzen	Reichgott
Beckman	DeCramer	Jude	Moe, D.M.	Solon
Belanger	Dicklich	Knaak	Moe, R.D.	Spear
Berglin	Diessner	Kroening	Morse	Storm
Bernhagen	Frank	Laidig	Olson	Stumpf
Bertram	Frederick	Langseth	Pehler	Taylor
Brandl	Frederickson, D.J.	Lantry	Peterson, D.C.	Waldorf
Brataas	Frederickson, D.R.	Lessard	Peterson, R.W.	Wegscheid
Chmielewski	Freeman	Luther	Piper	
Cohen	Gustafson	Marty	Pogemiller	
Dahl	Hughes	McQuaid	Purfeerst	

Those who voted in the negative were:

Benson	Larson	Renneke	Schmitz	Vickerman
Knutson	Merriam	Samuelson		

So the bill passed and its title was agreed to.

H.F. No. 1853: A bill for an act relating to health; clarifying an existing statute that requires insurance plans to cover the services provided by a registered nurse engaged in advanced nursing practice to the same extent that the services would be covered if provided by a physician; including nurse practitioners and clinical specialists in psychiatric or mental health nursing among the roles specifically listed as examples of advanced nursing

practice; amending Minnesota Statutes 1986, section 62A.15, subdivision 3a.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	Decker	Jude	Merriam	Reichgott
Anderson	DeCramer	Knaak	Metzen	Renneke
Beckman	Dicklich	Knutson	Moe, D.M.	Samuelson
Berg	Diessner	Kroening	Moe, R.D.	Schmitz
Berglin	Frank	Laidig	Morse	Solon
Bernhagen	Frederick	Langseth	Olson	Spear
Bertram	Frederickson, D.J.	Lantry	Pehler	Storm
Brandl	Frederickson, D.R.	Larson	Peterson, D.C.	Stumpf
Brataas	Freeman	Lessard	Peterson, R.W.	Taylor
Chmielewski	Gustafson	Luther	Piper	Vickerman
Cohen	Hughes	Marty	Pogemiller	Waldorf
Dahl	Johnson, D.E.	McQuaid	Purfeerst	Wegscheid
Davis	Johnson, D.J.	Mehrkens	Ramstad	

Messrs. Belanger and Benson voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 1749: A bill for an act relating to the city of Minneapolis; providing conditions for contractors bonds; amending Laws 1980, chapter 595, section 3, by adding a subdivision.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Metzen	Samuelson
Anderson	Decker	Knaak	Moe, D.M.	Schmitz
Beckman	DeCramer	Knutson	Moe, R.D.	Solon
Belanger	Dicklich	Kroening	Morse	Spear
Benson	Diessner	Laidig	Olson	Storm
Berg	Frank	Langseth	Pehler	Stumpf
Berglin	Frederick	Lantry	Peterson, D.C.	Taylor
Bernhagen	Frederickson, D.I.	Larson	Peterson, R.W.	Vickerman
Bertram	Frederickson, D.R.	Lessard	Piper	Waldorf
Brandl	Freeman	Luther	Pogemiller	Wegscheid
Brataas	Gustafson	Marty	Purfeerst	
Chmielewski	Hughes	McQuaid	Ramstad	
Cohen	Johnson, D.E.	Mehrkens	Reichgott	
Dahl	Johnson, D.J.	Merriam	Renneke	

So the bill passed and its title was agreed to.

H.F. No. 1784: A bill for an act relating to nurse-midwives; allowing a certified nurse-midwife to prescribe and administer drugs and therapeutic devices; allowing an appropriately certified and licensed health care professional to prescribe legend drugs and controlled substances; amending Minnesota Statutes 1986, sections 148.171; 151.37, subdivision 2; and 152.12, subdivision 1.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Metzen	Samuelson
Anderson	Decker	Knaak	Moe, D.M.	Schmitz
Beckman	DeCramer	Knutson	Moe, R.D.	Solon
Belanger	Dicklich	Kroening	Morse	Spear
Benson	Diessner	Laidig	Olson	Storm
Berg	Frank	Langseth	Pehler	Stumpf
Berglin	Frederick	Lantry	Peterson, D.C.	Taylor
Bernhagen	Frederickson, D.J.	Larson	Peterson, R.W.	Vickerman
Bertram	Frederickson, D.R.	Lessard	Piper	Waldorf
Brandl	Freeman	Luther	Pogemiller	Wegscheid
Brataas	Gustafson	Marty	Purfeerst	
Chmielewski	Hughes	McQuaid	Ramstad	
Cohen	Johnson, D.E.	Mehrkens	Reichgott	
Dahl	Johnson, D.J.	Merriam	Renneke	

So the bill passed and its title was agreed to.

S.F. No. 1228: A bill for an act relating to education; allowing the student council member of the higher education coordinating board to vote; amending Minnesota Statutes 1986, section 136A.02, subdivisions 1, 1a, and 7.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Metzen	Samuelson
Anderson	Decker	Knaak	Moe, D.M.	Schmitz
Beckman	DeCramer	Knutson	Moe, R.D.	Solon
Belanger	Dicklich	Kroening	Morse	Spear
Benson	Diessner	Laidig	Olson	Storm
Berg	Frank	Langseth	Pehler	Stumpf
Berglin	Frederick	Lantry	Peterson, D.C.	Taylor
Bernhagen	Frederickson, D.J.	Larson	Peterson, R.W.	Vickerman
Bertram	Frederickson, D.R.	Lessard	Piper	Waldorf
Brandl	Freeman	Luther	Pogemiller	Wegscheid
Brataas	Gustafson	Marty	Purfeerst	
Chmielewski	Hughes	McQuaid	Ramstad	
Cohen	Johnson, D.E.	Mehrkens	Reichgott	
Dahl	Johnson, D.J.	Merriam	Renneke	

So the bill passed and its title was agreed to.

H.F. No. 1989: A bill for an act relating to education; creating a child care task force; specifying membership; requiring a report.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 3, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	Mehrkens	Renneke
Anderson	Davis	Johnson, D.J.	Metzen	Samuelson
Beckman	Decker	Jude	Moe, D.M.	Schmitz
Belanger	DeCramer	Knaak	Moe, R. D.	Solon
Benson	Dicklich	Kroening	Morse	Spear
Berg	Diessner	Laidig	Olson	Storm
Berglin	Frank	Langseth	Pehler	Stumpf
Bernhagen	Frederick	Lantry	Peterson, D.C.	Taylor
Bertram	Frederickson, D.J.	Larson	Piper	Vickerman
Brandl	Frederickson, D.R.	Lessard	Pogemiller	Waldorf
Brataas	Freeman	Luther	Purfeerst	Wegscheid
Chmielewski	Gustafson	Marty	Ramstad	
Cohen	Hughes	McQuaid	Reichgott	

Messrs. Knutson, Merriam and Peterson, R.W. voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 1918: A bill for an act relating to health; creating exceptions to the nursing home moratorium; amending Minnesota Statutes 1987 Supplement, section 144A.071, subdivision 3.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	McQuaid	Ramstad
Anderson	Davis	Johnson, D.J.	Mehrkens	Reichgott
Beckman	Decker	Jude	Merriam	Renneke
Belanger	DeCramer	Knaak	Metzen	Samuelson
Benson	Dicklich	Knutson	Moe, D.M.	Schmitz
Berg	Diessner	Kroening	Moe, R. D.	Solon
Berglin	Frank	Laidig	Morse	Spear
Bernhagen	Frederick	Langseth	Olson	Storm
Bertram	Frederickson, D.J.	Lantry	Peterson, D.C.	Stumpf
Brandl	Frederickson, D.R.	Larson	Peterson, R.W.	Taylor
Brataas	Freeman	Lessard	Piper	Vickerman
Chmielewski	Gustafson	Luther	Pogemiller	Waldorf
Cohen	Hughes	Marty	Purfeerst	Wegscheid

So the bill passed and its title was agreed to.

H.F. No. 1732: A bill for an act relating to intoxicating liquor; authorizing extended off-sale hours on the day preceding Thanksgiving day; amending Minnesota Statutes 1986, section 340A.504, subdivision 4.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 55 and nays 10, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Hughes	Mehrkens	Purfeerst
Anderson	Decker	Johnson, D.J.	Merriam	Ramstad
Beckman	DeCramer	Jude	Metzen	Reichgott
Belanger	Dicklich	Knaak	Moe, D.M.	Samuelson
Benson	Diessner	Knutson	Moe, R. D.	Schmitz
Berg	Frank	Langseth	Morse	Solon
Berglin	Frederick	Lantry	Pehler	Spear
Bertram	Frederickson, D.J.	Lessard	Peterson, D.C.	Storm
Brataas	Frederickson, D.R.	Luther	Peterson, R.W.	Stumpf
Cohen	Freeman	Marty	Piper	Taylor
Dahl	Gustafson	McQuaid	Pogemiller	Wegscheid

Those who voted in the negative were:

Bernhagen	Johnson, D.E.	Laidig	Olson	Vickerman
Chmielewski	Kroening	Larson	Renneke	Waldorf

So the bill passed and its title was agreed to.

S.F. No. 1822: A bill for an act relating to liquor; prohibiting certain transactions by brewers and malt liquor wholesalers; amending Minnesota Statutes 1987 Supplement, section 340A.308.

With the unanimous consent of the Senate, Mr. Solon moved to amend S.F. No. 1822 as follows:

Page 2, after line 12, insert:

"Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

The motion prevailed. So the amendment was adopted.

S.F. No. 1822 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Mehrkens	Ramstad
Anderson	Decker	Jude	Merriam	Reichgott
Beckman	DeCramer	Knaak	Metzen	Renneke
Belanger	Dicklich	Knutson	Moe, D.M.	Samuelson
Benson	Diessner	Kroening	Moe, R.D.	Schmitz
Berg	Frank	Laidig	Morse	Solon
Berglin	Frederick	Langseth	Olson	Spear
Bernhagen	Frederickson, D.J.	Lantry	Pehler	Storm
Bertram	Frederickson, D.R.	Larson	Peterson, D.C.	Stumpf
Brataas	Freeman	Lessard	Peterson, R.W.	Taylor
Chmielewski	Gustafson	Luther	Piper	Vickerman
Cohen	Hughes	Marty	Pogemiller	Waldorf
Dahl	Johnson, D.E.	McQuaid	Purfeerst	Wegscheid

So the bill, as amended, passed and its title was agreed to.

H.F. No. 1831: A bill for an act relating to intoxicating liquor; authorizing issuance of one on-sale liquor license on an excursion and dinner boat on Detroit Lake, Becker county; authorizing issuance of an on-sale liquor license to Fort Snelling.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Mehrkens	Reichgott
Anderson	Decker	Jude	Merriam	Renneke
Beckman	DeCramer	Knaak	Metzen	Samuelson
Belanger	Dicklich	Knutson	Moe, R.D.	Schmitz
Benson	Diessner	Kroening	Morse	Solon
Berg	Frank	Laidig	Olson	Spear
Berglin	Frederick	Langseth	Pehler	Storm
Bernhagen	Frederickson, D.J.	Lantry	Peterson, D.C.	Stumpf
Bertram	Frederickson, D.R.	Larson	Peterson, R.W.	Taylor
Brandl	Freeman	Lessard	Piper	Vickerman
Brataas	Gustafson	Luther	Pogemiller	Waldorf
Cohen	Hughes	Marty	Purfeerst	Wegscheid
Dahl	Johnson, D.E.	McQuaid	Ramstad	

Mr. Chmielewski voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 1673: A bill for an act relating to intoxicating liquor; authorizing the dispensing of intoxicating liquor at the St. Cloud Civic Center.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Decker	Jude	Merriam	Reichgott
Anderson	DeCramer	Knaak	Metzen	Renneke
Beckman	Dicklich	Knutson	Moe, D.M.	Samuelson
Belanger	Diessner	Kroening	Moe, R.D.	Schmitz
Berg	Frank	Laidig	Morse	Solon
Berglin	Frederick	Langseth	Olson	Spear
Bernhagen	Frederickson, D.J.	Lantry	Pehler	Storm
Bertram	Frederickson, D.R.	Larson	Peterson, D.C.	Stumpf
Brandl	Freeman	Lessard	Peterson, R.W.	Taylor
Brataas	Gustafson	Luther	Piper	Vickerman
Cohen	Hughes	Marty	Pogemiller	Waldorf
Dahl	Johnson, D.E.	McQuaid	Purfeerst	Wegscheid
Davis	Johnson, D.J.	Mehrkens	Ramstad	

Mr. Chmielewski voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 1121: A bill for an act relating to motor vehicles; establishing a titling system for salvage and rebuilt motor vehicles; requiring licenses for scrap metal processors, used vehicle parts dealers, and salvage pool operators; amending Minnesota Statutes 1986, sections 168.27, subdivisions 1, 2, 3, 8, 10, 24, and by adding subdivisions; 168.33, subdivision 7; 168A.01, subdivision 2, and by adding subdivisions; and 168A.15; Minnesota Statutes 1987 Supplement, section 168.27, subdivision 16; proposing coding for new law in Minnesota Statutes, chapter 168A.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 4, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Mehrkens	Ramstad
Anderson	Decker	Jude	Merriam	Reichgott
Beckman	DeCramer	Knaak	Metzen	Samuelson
Belanger	Dicklich	Knutson	Moe, D.M.	Solon
Berg	Diessner	Kroening	Moe, R.D.	Spear
Berglin	Frank	Laidig	Morse	Storm
Bernhagen	Frederick	Langseth	Olson	Stumpf
Bertram	Frederickson, D.J.	Lantry	Pehler	Taylor
Brandl	Frederickson, D.R.	Larson	Peterson, D.C.	Waldorf
Brataas	Freeman	Lessard	Peterson, R.W.	Wegscheid
Chmielewski	Gustafson	Luther	Piper	
Cohen	Hughes	Marty	Pogemiller	
Dahl	Johnson, D.E.	McQuaid	Purfeerst	

Messrs. Benson, Renneke, Schmitz and Vickerman voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 1867: A bill for an act relating to cemeteries; mausoleums, prearranged funeral services; consumer protection; requiring the establishment of a construction performance bond; requiring a permanent care account for any mausoleum; providing reporting requirements; broadening the powers of the county auditors and state auditor; amending Minnesota Statutes 1986, sections 149.11; 149.13; 306.03; 306.04; 306.37; 306.761; 306.77; and 306.773, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 306.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Metzen	Samuelson
Anderson	Decker	Knaak	Moe, D.M.	Schmitz
Beckman	DeCramer	Knutson	Moe, R.D.	Solon
Belanger	Dicklich	Kroening	Morse	Spear
Benson	Diessner	Laidig	Olson	Storm
Berg	Frank	Langseth	Pehler	Stumpf
Berglin	Frederick	Lantry	Peterson, D.C.	Taylor
Bernhagen	Frederickson, D.J.	Larson	Peterson, R.W.	Vickerman
Bertram	Frederickson, D.R.	Lessard	Piper	Waldorf
Brandl	Freeman	Luther	Pogemiller	Wegscheid
Brataas	Gustafson	Marty	Purfeerst	
Chmielewski	Hughes	McQuaid	Ramstad	
Cohen	Johnson, D.E.	Mehrkens	Reichgott	
Dahl	Johnson, D.J.	Merriam	Renneke	

So the bill passed and its title was agreed to.

S.F. No. 1826: A bill for an act relating to counties; providing for elections to fill certain vacancies; amending Minnesota Statutes 1986, section 375.08.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Metzen	Samuelson
Anderson	Decker	Knaak	Moe, D.M.	Schmitz
Beckman	DeCramer	Knutson	Moe, R. D.	Solon
Belanger	Dicklich	Kroening	Morse	Spear
Benson	Diessner	Laidig	Olson	Storm
Berg	Frank	Langseth	Pehler	Stumpf
Berglin	Frederick	Lantry	Peterson, D.C.	Taylor
Bernhagen	Frederickson, D.J.	Larson	Peterson, R. W.	Vickerman
Bertram	Frederickson, D.R.	Lessard	Piper	Waldorf
Brandl	Freeman	Luther	Pogemiller	Wegscheid
Brataas	Gustafson	Marty	Purfeerst	
Chmielewski	Hughes	McQuaid	Ramstad	
Cohen	Johnson, D.E.	Mehrkens	Reichgott	
Dahl	Johnson, D.J.	Merriam	Renneke	

So the bill passed and its title was agreed to.

S.F. No. 1742: A bill for an act relating to agriculture; clarifying a time-price offer; allowing a preceding former owner to convey the right to receive an offer to buy or lease previously owned agricultural land; restricting the sale or inducement of a sale of agricultural land by a preceding former owner accepting an offer for one year; providing penalties and liability for damages; restricting the period for a debtor to receive a copy of a forbearance policy; amending Minnesota Statutes 1987 Supplement, sections 500.24, subdivisions 6 and 7; and 583.24, subdivision 4.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 4, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Hughes	Marty	Pogemiller
Anderson	Davis	Johnson, D.E.	McQuaid	Purfeerst
Belanger	Decker	Johnson, D.J.	Mehrkens	Ramstad
Benson	DeCramer	Jude	Merriam	Renneke
Berg	Dicklich	Knutson	Metzen	Samuelson
Berglin	Diessner	Kroening	Moe, D.M.	Solon
Bernhagen	Frank	Laidig	Moe, R.D.	Spear
Bertram	Frederick	Langseth	Olson	Storm
Brandl	Frederickson, D.J.	Lantry	Pehler	Stumpf
Brataas	Frederickson, D.R.	Larson	Peterson, D.C.	Taylor
Chmielewski	Freeman	Lessard	Peterson, R. W.	Vickerman
Cohen	Gustafson	Luther	Piper	Waldorf

Messrs. Beckman, Morse, Schmitz and Wegscheid voted in the negative.

So the bill passed and its title was agreed to.

H.F. No. 1850: A bill for an act relating to local improvements; special assessments; authorizing towns to make certain improvements; amending Minnesota Statutes 1986, section 429.011, subdivision 2b.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Jude	Merriam	Reichgott
Anderson	Decker	Knaak	Metzen	Renneke
Beckman	Dicklich	Knutson	Moe, D.M.	Samuelson
Belanger	Diessner	Kroening	Moe, R.D.	Schmitz
Benson	Frank	Laidig	Morse	Solon
Berg	Frederick	Langseth	Olson	Spear
Berglin	Frederickson, D.J.	Lantry	Pehler	Storm
Bernhagen	Frederickson, D.R.	Larson	Peterson, D.C.	Stumpf
Bertram	Freeman	Lessard	Peterson, R.W.	Taylor
Brandl	Gustafson	Luther	Piper	Vickerman
Brataas	Hughes	Marty	Pogemiller	Waldorf
Chmielewski	Johnson, D.E.	McQuaid	Purfeerst	Wegscheid
Cohen	Johnson, D.J.	Mehrkens	Ramstad	

So the bill passed and its title was agreed to.

S.F No. 2137: A bill for an act relating to education; modifying certain requirements relating to school health services; amending Minnesota Statutes 1986, section 123.35, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 126; repealing Minnesota Statutes 1987 Supplement, sections 123.35, subdivision 16; and 126.201.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Merriam	Reichgott
Anderson	Decker	Jude	Metzen	Renneke
Beckman	DeCramer	Knaak	Moe, D.M.	Samuelson
Belanger	Dicklich	Knutson	Moe, R.D.	Schmitz
Benson	Diessner	Kroening	Morse	Solon
Berg	Frank	Laidig	Olson	Spear
Berglin	Frederick	Langseth	Pehler	Storm
Bernhagen	Frederickson, D.J.	Lantry	Peterson, D.C.	Stumpf
Bertram	Frederickson, D.R.	Larson	Peterson, R.W.	Taylor
Brandl	Freeman	Luther	Piper	Vickerman
Brataas	Gustafson	Marty	Pogemiller	Waldorf
Cohen	Hughes	McQuaid	Purfeerst	Wegscheid
Dahl	Johnson, D.E.	Mehrkens	Ramstad	

Mr. Chmielewski voted in the negative.

So the bill passed and its title was agreed to.

H.F No. 1858: A bill for an act relating to the environment; designating the Willard Munger Trail; amending Minnesota Statutes 1986, section 85.015, subdivision 11.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Merriam	Reichgott
Anderson	Decker	Knaak	Metzen	Renneke
Beckman	DeCramer	Knutson	Moe, D.M.	Samuelson
Belanger	Dicklich	Kroening	Moe, R. D.	Schmitz
Benson	Diessner	Laidig	Morse	Solon
Berg	Frank	Langseth	Olson	Spear
Berglin	Frederick	Lantry	Pehler	Storm
Bernhagen	Frederickson, D.J.	Larson	Peterson, D.C.	Stumpf
Bertram	Frederickson, D.R.	Lessard	Peterson, R. W.	Taylor
Brandl	Freeman	Luther	Piper	Vickerman
Chmielewski	Gustafson	Marty	Pogemiller	Waldorf
Cohen	Hughes	McQuaid	Purfeerst	Wegscheid
Dahl	Johnson, D.E.	Mehrkens	Ramstad	

So the bill passed and its title was agreed to.

S.F. No. 1701: A bill for an act relating to natural resources; designating the fossil of the giant beaver, *castoroides ohioensis*, as the state fossil; proposing coding for new law in Minnesota Statutes, chapter 1.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 50 and nays 15, as follows:

Those who voted in the affirmative were:

Anderson	Dahl	Johnson, D.J.	Merriam	Purfeerst
Beckman	Davis	Kroening	Metzen	Reichgott
Belanger	Decker	Laidig	Moe, D.M.	Renneke
Berg	DeCramer	Langseth	Moe, R. D.	Samuelson
Berglin	Dicklich	Lantry	Morse	Solon
Bernhagen	Frederick	Larson	Olson	Spear
Bertram	Frederickson, D.J.	Lessard	Peterson, D.C.	Storm
Brataas	Frederickson, D.R.	Luther	Peterson, R. W.	Stumpf
Chmielewski	Hughes	Marty	Piper	Taylor
Cohen	Johnson, D.E.	McQuaid	Pogemiller	Vickerman

Those who voted in the negative were:

Adkins	Diessner	Jude	Mehrkens	Schmitz
Benson	Frank	Knaak	Pehler	Waldorf
Brandl	Freeman	Knutson	Ramstad	Wegscheid

So the bill passed and its title was agreed to.

H.F. No. 1817: A bill for an act relating to watercraft; requiring lifesaving devices in duck boats; amending Minnesota Statutes 1986, section 361.141, subdivision 1.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Metzen	Samuelson
Anderson	Decker	Knaak	Moe, D.M.	Schmitz
Beckman	DeCramer	Knutson	Moe, R.D.	Solon
Belanger	Dicklich	Kroening	Morse	Spear
Benson	Diessner	Laidig	Olson	Storm
Berg	Frank	Langseth	Pehler	Stumpf
Berglin	Frederick	Lantry	Peterson, D.C.	Taylor
Bernhagen	Frederickson, D.J.	Larson	Peterson, R.W.	Vickerman
Bertram	Frederickson, D.R.	Lessard	Piper	Waldorf
Brandl	Freeman	Luther	Pogemiller	Wegscheid
Brataas	Gustafson	Marty	Purfeerst	
Chmielewski	Hughes	McQuaid	Ramstad	
Cohen	Johnson, D.E.	Mehrkens	Reichgott	
Dahl	Johnson, D.J.	Merriam	Renneke	

So the bill passed and its title was agreed to.

S.F. No. 1620: A bill for an act relating to human services; regulating payments for certain services for adults with mental retardation and related conditions; providing protection for the mentally retarded; providing for therapeutic work activities; negotiating medical assistance utilization review appeals; regulating child support; amending Minnesota Statutes 1986, section 246.56; Minnesota Statutes 1987 Supplement, sections 252.41, subdivision 7; 252.46, subdivisions 1, 2, 3, 4, 5, and 12; 252.47; 252A.111, subdivision 6; 254B.05, subdivision 1; 254B.09, subdivision 5; 256B.04, subdivision 15; and 518.64, subdivision 2.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	McQuaid	Ramstad
Anderson	Davis	Johnson, D.J.	Merriam	Reichgott
Beckman	Decker	Jude	Metzen	Samuelson
Belanger	DeCramer	Knaak	Moe, D.M.	Schmitz
Benson	Dicklich	Knutson	Moe, R.D.	Solon
Berg	Diessner	Kroening	Morse	Spear
Berglin	Frank	Laidig	Olson	Storm
Bernhagen	Frederick	Langseth	Pehler	Stumpf
Bertram	Frederickson, D.J.	Lantry	Peterson, D.C.	Taylor
Brandl	Frederickson, D.R.	Larson	Peterson, R.W.	Vickerman
Brataas	Freeman	Lessard	Piper	Waldorf
Chmielewski	Gustafson	Luther	Pogemiller	Wegscheid
Cohen	Hughes	Marty	Purfeerst	

Mr. Renneke voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 1970: A bill for an act relating to human services; exempting Indian health service facilities from rate establishment; requiring rate establishment for out-of-state hospitals; amending Minnesota Statutes 1987 Supplement, section 256.969, subdivision 3.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	Mehrkens	Ramstad
Anderson	Davis	Johnson, D.J.	Merriam	Reichgott
Beckman	Decker	Jude	Metzen	Renneke
Belanger	DeCramer	Knaak	Moe, D.M.	Samuelson
Benson	Dicklich	Kroening	Moe, R.D.	Schmitz
Berg	Diessner	Laidig	Morse	Solon
Berglin	Frank	Langseth	Olson	Spear
Bernhagen	Frederick	Lantry	Pehler	Storm
Bertram	Frederickson, D.J.	Larson	Peterson, D.C.	Stumpf
Brandl	Frederickson, D.R.	Lessard	Peterson, R.W.	Taylor
Brataas	Freeman	Luther	Piper	Vickerman
Chmielewski	Gustafson	Marty	Pogemiller	Waldorf
Cohen	Hughes	McQuaid	Purfeerst	Wegscheid

So the bill passed and its title was agreed to.

S.F. No. 1086: A bill for an act relating to commerce; permitting certain charitable trusts to dispose of certain bank assets; proposing coding for new law in Minnesota Statutes, chapter 501.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Mehrkens	Ramstad
Anderson	Decker	Jude	Merriam	Reichgott
Beckman	DeCramer	Knaak	Metzen	Renneke
Benson	Dicklich	Knutson	Moe, D.M.	Samuelson
Berg	Diessner	Kroening	Moe, R.D.	Schmitz
Berglin	Frank	Laidig	Morse	Solon
Bernhagen	Frederick	Langseth	Olson	Spear
Bertram	Frederickson, D.J.	Lantry	Pehler	Storm
Brandl	Frederickson, D.R.	Larson	Peterson, D.C.	Stumpf
Brataas	Freeman	Lessard	Peterson, R.W.	Taylor
Chmielewski	Gustafson	Luther	Piper	Vickerman
Cohen	Hughes	Marty	Pogemiller	Waldorf
Dahl	Johnson, D.E.	McQuaid	Purfeerst	Wegscheid

So the bill passed and its title was agreed to.

S.F. No. 2117: A bill for an act relating to employment; allowing certain nonlicensed facilities to perform breath tests for alcohol; amending Minnesota Statutes 1987 Supplement, section 181.953, subdivisions 1 and 2.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Metzen	Samuelson
Anderson	Decker	Knaak	Moe, D.M.	Schmitz
Beckman	DeCramer	Knutson	Moe, R.D.	Solon
Belanger	Dicklich	Kroening	Morse	Spear
Benson	Diessner	Laidig	Olson	Storm
Berg	Frank	Langseth	Pehler	Stumpf
Berglin	Frederick	Lantry	Peterson, D.C.	Taylor
Bernhagen	Frederickson, D.J.	Larson	Peterson, R.W.	Vickerman
Bertram	Frederickson, D.R.	Lessard	Piper	Waldorf
Brandl	Freeman	Luther	Pogemiller	Wegscheid
Brataas	Gustafson	Marty	Purfeerst	
Chmielewski	Hughes	McQuaid	Ramstad	
Cohen	Johnson, D.E.	Mehrkens	Reichgott	
Dahl	Johnson, D.J.	Merriam	Renneke	

So the bill passed and its title was agreed to.

S.F. No. 1721: A bill for an act relating to employment agencies; regulating job listing services; regulating fees and contracts; amending Minnesota Statutes 1986, sections 184.21, subdivision 2, and by adding subdivisions; 184.37, subdivision 1; 184.38, subdivisions 3 and 5.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Metzen	Samuelson
Anderson	Decker	Knaak	Moe, D.M.	Schmitz
Beckman	DeCramer	Knutson	Moe, R.D.	Solon
Belanger	Dicklich	Kroening	Morse	Spear
Benson	Diessner	Laidig	Olson	Storm
Berg	Frank	Langseth	Pehler	Stumpf
Berglin	Frederick	Lantry	Peterson, D.C.	Taylor
Bernhagen	Frederickson, D.J.	Larson	Peterson, R.W.	Vickerman
Bertram	Frederickson, D.R.	Lessard	Piper	Waldorf
Brandl	Freeman	Luther	Pogemiller	Wegscheid
Brataas	Gustafson	Marty	Purfeerst	
Chmielewski	Hughes	McQuaid	Ramstad	
Cohen	Johnson, D.E.	Mehrkens	Reichgott	
Dahl	Johnson, D.J.	Merriam	Renneke	

So the bill passed and its title was agreed to.

S.F. No. 995: A bill for an act relating to commerce; industrial loan and thrift companies; making certain technical corrections; modifying certain definitions; prescribing powers; prescribing the qualifications of the directors of certain companies; providing penalties; regulated loans; prescribing the types of security that may be taken; specifying the loan fees and charges that may be imposed by regulated lenders; regulating mortgage foreclosure notices; amending Minnesota Statutes 1986, sections 53.015; 53.02; 53.03, subdivision 5; 53.06; 53.08; 53.09, subdivision 3; 56.131, subdivisions 1 and 2; 56.14; and 580.03; Minnesota Statutes 1987 Supplement, sections 53.05; and 56.12.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 40 and nays 26, as follows:

Those who voted in the affirmative were:

Adkins	Chmielewski	Knutson	Metzen	Samuelson
Anderson	Cohen	Laidig	Moe, D.M.	Schmitz
Belanger	Decker	Langseth	Olson	Solon
Benson	DeCramer	Larson	Pehler	Storm
Bernhagen	Diessner	Lessard	Purfeerst	Stumpf
Bertram	Frederick	McQuaid	Ramstad	Taylor
Brandl	Gustafson	Mehrkens	Reichgott	Waldorf
Brataas	Jude	Merriam	Renneke	Wegscheid

Those who voted in the negative were:

Beckman	Frank	Johnson, D.J.	Moe, R.D.	Spear
Berg	Frederickson, D.J.	Knaak	Morse	Vickerman
Berglin	Frederickson, D.R.	Kroening	Peterson, D.C.	
Dahl	Freeman	Lantry	Peterson, R.W.	
Davis	Hughes	Luther	Piper	
Dicklich	Johnson, D.E.	Marty	Pogemiller	

So the bill passed and its title was agreed to.

H.F. No. 320: A bill for an act relating to statutes; removing certain gender references; amending Minnesota Statutes 1986, section 459.16.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Metzen	Samuelson
Anderson	Decker	Knaak	Moe, D.M.	Schmitz
Beckman	DeCramer	Knutson	Moe, R. D.	Solon
Belanger	Dicklich	Kroening	Morse	Spear
Benson	Diessner	Laidig	Olson	Storm
Berg	Frank	Langseth	Pehler	Stumpf
Berglin	Frederick	Lantry	Peterson, D.C.	Taylor
Bernhagen	Frederickson, D.J.	Larson	Peterson, R. W.	Vickerman
Bertram	Frederickson, D.R.	Lessard	Piper	Waldorf
Brandl	Freeman	Luther	Pogemiller	Wegscheid
Brataas	Gustafson	Marty	Purfeerst	
Chmielewski	Hughes	McQuaid	Ramstad	
Cohen	Johnson, D.E.	Mehrkens	Reichgott	
Dahl	Johnson, D.J.	Merriam	Renneke	

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

SUSPENSION OF RULES

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the Consent Calendar and that the rules of the Senate be so far suspended as to waive the lie-over requirement. The motion prevailed.

CONSENT CALENDAR

H.F. No. 2558: A bill for an act relating to elections; requiring optical scan voting systems to be tested within 14 days before election; amending Minnesota Statutes 1986, section 206.83.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Jude	Merriam	Renneke
Anderson	Davis	Knaak	Metzen	Samuelson
Beckman	Decker	Knutson	Moe, R.D.	Solon
Belanger	Dicklich	Kroening	Morse	Spear
Benson	Diessner	Laidig	Olson	Storm
Berg	Frank	Langseth	Pehler	Stumpf
Berglin	Frederick	Lantry	Peterson, D.C.	Taylor
Bernhagen	Frederickson, D.J.	Larson	Peterson, R. W.	Vickerman
Bertram	Frederickson, D.R.	Lessard	Piper	Waldorf
Brandl	Freeman	Luther	Pogemiller	Wegscheid
Brataas	Hughes	Marty	Purfeerst	
Chmielewski	Johnson, D.E.	McQuaid	Ramstad	
Cohen	Johnson, D.J.	Mehrkens	Reichgott	

So the bill passed and its title was agreed to.

S.F. No. 1948: A bill for an act relating to drivers' licenses; allowing stepparent married to custodial parent of minor to approve minor's driver's license application; amending Minnesota Statutes 1986, section 171.04.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.J.	Mehrkens	Ramstad
Anderson	Davis	Jude	Merriam	Renneke
Beckman	Decker	Knaak	Metzen	Samuelson
Belanger	Dicklich	Knutson	Moe, D.M.	Schmitz
Benson	Diessner	Kroening	Moe, R.D.	Spear
Berg	Frank	Laidig	Morse	Storm
Berglin	Frederick	Langseth	Olson	Stumpf
Bernhagen	Frederickson, D.J.	Lantry	Pehler	Taylor
Bertram	Frederickson, D.R.	Larson	Peterson, D.C.	Vickerman
Brandl	Freeman	Lessard	Peterson, R.W.	Waldorf
Brataas	Gustafson	Luther	Piper	Wegscheid
Chmielewski	Hughes	Marty	Pogemiller	
Cohen	Johnson, D.E.	McQuaid	Purfeerst	

So the bill passed and its title was agreed to.

H.F. No. 81: A bill for an act relating to local government; providing for the use of certain city reserve funds; amending Minnesota Statutes 1986, section 471.572, subdivision 3.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 1, as follows:

Those who voted in the affirmative were:

Anderson	Decker	Knaak	Metzen	Samuelson
Beckman	Dicklich	Knutson	Moe, D.M.	Schmitz
Belanger	Diessner	Kroening	Moe, R.D.	Spear
Benson	Frank	Laidig	Morse	Storm
Berglin	Frederick	Langseth	Olson	Stumpf
Bernhagen	Frederickson, D.J.	Lantry	Peterson, D.C.	Taylor
Bertram	Frederickson, D.R.	Larson	Peterson, R.W.	Vickerman
Brandl	Freeman	Lessard	Piper	Waldorf
Brataas	Gustafson	Luther	Pogemiller	Wegscheid
Chmielewski	Hughes	Marty	Purfeerst	
Cohen	Johnson, D.E.	McQuaid	Ramstad	
Dahl	Johnson, D.J.	Mehrkens	Reichgott	
Davis	Jude	Merriam	Renneke	

Mrs. Adkins voted in the negative.

So the bill passed and its title was agreed to.

H.F. No. 2463: A bill for an act relating to state agencies; authorizing the iron range resources and rehabilitation board to purchase fire insurance for facilities operated by the board; amending Minnesota Statutes 1986, section 15.38, by adding a subdivision.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Merriam	Reichgott
Anderson	Decker	Knaak	Metzen	Renneke
Beckman	Dicklich	Knutson	Moe, D.M.	Samuelson
Belanger	Diessner	Kroening	Moe, R.D.	Schmitz
Benson	Frank	Laidig	Morse	Spear
Berglin	Frederick	Langseth	Olson	Storm
Bernhagen	Frederickson, D.I.	Lantry	Pehler	Stumpf
Bertram	Frederickson, D.R.	Larson	Peterson, D.C.	Taylor
Brandl	Freeman	Lessard	Peterson, R.W.	Vickerman
Brataas	Gustafson	Luther	Piper	Waldorf
Chmielewski	Hughes	Marty	Pogemiller	Wegscheid
Cohen	Johnson, D.E.	McQuaid	Purfeerst	
Dahl	Johnson, D.J.	Mehrkens	Ramstad	

So the bill passed and its title was agreed to.

H.F. No. 1767: A bill for an act relating to commerce; real property; requiring notice of foreclosure by advertisement to separately list record owners with no legally protected interest in the real estate; proposing coding for new law in Minnesota Statutes, chapter 580.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.J.	Mehrkens	Ramstad
Anderson	Davis	Jude	Merriam	Reichgott
Beckman	Decker	Knaak	Metzen	Renneke
Belanger	Dicklich	Knutson	Moe, D.M.	Samuelson
Benson	Diessner	Kroening	Moe, R.D.	Schmitz
Berg	Frank	Laidig	Morse	Solon
Berglin	Frederick	Langseth	Olson	Spear
Bernhagen	Frederickson, D.I.	Lantry	Pehler	Storm
Bertram	Frederickson, D.R.	Larson	Peterson, D.C.	Stumpf
Brandl	Freeman	Lessard	Peterson, R.W.	Taylor
Brataas	Gustafson	Luther	Piper	Vickerman
Chmielewski	Hughes	Marty	Pogemiller	Waldorf
Cohen	Johnson, D.E.	McQuaid	Purfeerst	Wegscheid

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1861 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1861: A bill for an act relating to health maintenance organizations; insurance; requiring replacement coverage in the event an HMO cancels coverage; increasing state comprehensive health plan liabilities in the event a member terminates coverage; increasing health maintenance organization notice requirements and annual reporting requirements; amending Minnesota Statutes 1986, sections 62D.07; 62D.08, subdivision 5; 62D.09; 62D.101; 62D.11; 62D.12, subdivision 2, and by adding a subdivision; 62D.17, subdivision 1; 62E.11, by adding subdivisions; 62E.14,

subdivisions 1, 3, and by adding a subdivision; 62E.16; Minnesota Statutes 1987 Supplement, sections 62A.17, subdivision 6; and 62D.08, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 62D; repealing Laws 1984, chapter 464, sections 29 and 40.

Mr. Pehler moved to amend S.F. No. 1861 as follows:

Page 24, after line 2, insert:

“Sec. 22. [EFFECTIVE DATE.]

Sections 10, 12, and 14 to 19 are effective the day following final enactment.”

The motion prevailed. So the amendment was adopted.

S.F. No. 1861 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Moe, D.M.	Samuelson
Anderson	Decker	Knutson	Moe, R.D.	Schmitz
Beckman	Dicklich	Kroening	Morse	Solon
Belanger	Diessner	Laidig	Olson	Spear
Benson	Frank	Lantry	Pehler	Storm
Berg	Frederickson, D.J.	Larson	Peterson, D.C.	Stumpf
Berglin	Frederickson, D.R.	Lessard	Peterson, R.W.	Vickerman
Bernhagen	Freeman	Luther	Piper	Waldorf
Bertram	Gustafson	Marty	Pogemiller	Wegscheid
Brandl	Hughes	McQuaid	Purfeerst	
Brataas	Johnson, D.E.	Mehrkens	Ramstad	
Cohen	Johnson, D.J.	Merriam	Reichgott	
Dahl	Jude	Metzen	Renneke	

So the bill, as amended, passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate proceed to the Order of Business of Introduction and First Reading of Senate Bills. The motion prevailed.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

Mr. Cohen introduced—

S.F. No. 2555: A resolution memorializing Kurt Waldheim to resign as President of Austria.

Referred to the Committee on General Legislation and Public Gaming.

Mrs. McQuaid introduced—

S.F. No. 2556: A bill for an act relating to retirement benefits for volunteer firefighters; providing a state paid supplemental benefit; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 424A.

Referred to the Committee on Governmental Operations.

Mr. Ramstad introduced—

S.F. No. 2557: A bill for an act relating to elections; allowing the spouse of a voter in need of assistance to help without taking an oath of eligibility; amending Minnesota Statutes 1986, section 204C.15, subdivision 1.

Referred to the Committee on Elections and Ethics.

Mr. Ramstad, Mrs. McQuaid, Messrs. Storm and Decker introduced—

S.F. No. 2558: A bill for an act relating to retirement benefits for volunteer firefighters; providing a state paid supplemental benefit; proposing coding for new law in Minnesota Statutes, chapter 424A.

Referred to the Committee on Governmental Operations.

Mr. Taylor introduced—

S.F. No. 2559: A bill for an act relating to retirement benefits for volunteer firefighters; providing a state paid supplemental benefit; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 424A.

Referred to the Committee on Governmental Operations.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Spear moved that S.F. No. 2057, No. 92 on General Orders, be stricken and re-referred to the Committee on Commerce. The motion prevailed.

Mr. Diessner moved that S.F. No. 2133, No. 68 on General Orders, be stricken and re-referred to the Committee on Employment. The motion prevailed.

Mr. Ramstad moved that S.F. No. 1739, No. 73 on General Orders, be stricken and re-referred to the Committee on Employment. The motion prevailed.

Mr. Samuelson moved that S.F. No. 2143, No. 81 on General Orders, be stricken and re-referred to the Committee on Commerce. The motion prevailed.

Mr. Berg moved that S.F. No. 1691, No. 22 on General Orders, be stricken and re-referred to the Committee on Environment and Natural Resources. The motion prevailed.

Mr. Berg moved that S.F. No. 1752, No. 32 on General Orders, be stricken and re-referred to the Committee on Environment and Natural Resources. The motion prevailed.

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the General Orders Calendar. The motion prevailed.

GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Hughes in the chair.

After some time spent therein, the committee arose, and Mr. Hughes

reported that the committee had considered the following:

S.F. Nos. 1687, 2090, 2214, 1689, 1388, 2102, 1652, 1674, 1761, 1304, 2376, 1795, 1700, 1695, 974, 1800, 1681, 2097, 1328, 2191, 2323, 2206, 2150, 2203, 2456, 1632, H.F. Nos. 2312 and 2120, which the committee recommends to pass.

S.F. No. 2046, which the committee recommends to pass with the following amendment offered by Mr. Vickerman:

Page 1, after line 13, insert:

“Sec. 2. [HOSPITAL SERVICE.]

The cities of Comfrey and Darfur, and the towns of Bashaw, Selma, Stately, Mulligan, Delton, and Adrian, all in Cottonwood, Brown, and Watonwan counties, may contribute gifts to the Comfrey Hospital in the city of Comfrey.

Sec. 3. [HOSPITAL SERVICE.]

The city of Mountain Lake, and the towns of Midway, Selma, Mountain Lake, Lakeside, and Carson, all in Cottonwood county, may contribute gifts to the Mountain Lake Hospital in the city of Mountain Lake.”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, delete “a hospital” and insert “certain hospitals”

The motion prevailed. So the amendment was adopted.

S.F. No. 1744, which the committee recommends to pass with the following amendments offered by Mr. Frederickson, D.R.:

Page 4, after line 11, insert:

“Sec. 7. [347.56] [LOCAL ORDINANCES.]

No statutory or home rule charter city or county may adopt any ordinance regulating dangerous or potentially dangerous dogs based solely on the specific breed of the dog. Local ordinances inconsistent with this section are void.”

Page 5, line 16, before “Sections” insert “Section 7 is effective the day following final enactment.”

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Frederickson, D.R. then moved to amend S.F. No. 1744 as follows:

Page 3, line 31, before “Nothing” insert “Except as provided in section 7”

The motion prevailed. So the amendment was adopted.

S.F. No. 1835, which the committee recommends to pass with the following amendment offered by Mr. Spear:

Page 2, after line 1, insert:

"Sec. 2. Minnesota Statutes 1987 Supplement, section 268.18, subdivision 3, is amended to read:

Subd. 3. [FALSE REPRESENTATIONS; CONCEALMENT OF FACTS; PENALTY.] (a) Whoever obtains, or attempts to obtain, or aids or abets any person to obtain by means of a willfully false statement or representation, by intentional concealment of a material fact, or by impersonation or other fraudulent device, benefits to which the person is not entitled or benefits greater than that to which the person is entitled under this chapter, or under the employment security law of any state or of the federal government or of a foreign government, either personally or for any other person, shall be guilty of theft and shall be sentenced pursuant to section 609.52, subdivision 3, clauses (2), (3), (6), and (7). The amount of the benefits incorrectly paid shall be the difference between the amount of benefits actually received and the amount which the person would have been entitled under state and federal law had the department been informed of all material facts.

(b) Any employing unit or any officer or agent of an employing unit or any other person who makes a false statement or representation knowing it to be false, or who knowingly fails to disclose a material fact, to prevent or reduce the payment of benefits to any individual entitled thereto, or to avoid becoming or remaining a subject employer or to avoid or reduce any contribution or other payment required from an employing unit under this chapter or under the employment security law of any state or of the federal government, or who willfully fails or refuses to make any such contributions or other payment at the time required shall be guilty of a gross misdemeanor unless the benefit underpayment, contribution, or other payment involved exceeds \$250, in which event the person is guilty of a felony.

(c) Any person who willfully fails to produce or permit the inspection or copying of books, papers, records, or memoranda as required or when requested under section 268.12, subdivision 8, or to furnish any required reports other than contribution reports shall be guilty of a gross misdemeanor.

Sec. 3. Minnesota Statutes 1987 Supplement, section 609.52, subdivision 3, is amended to read:

Subd. 3. [SENTENCE.] Whoever commits theft may be sentenced as follows:

(1) to imprisonment for not more than 20 years or to payment of a fine of not more than \$100,000, or both, if the value of the property or services stolen is more than \$35,000 and the conviction is for a violation of subdivision 2, clause (3), (4), (15), or (16); or

(2) to imprisonment for not more than ten years or to payment of a fine of not more than \$20,000, or both, if the value of the property or services stolen exceeds \$2,500, or if the property stolen was a controlled substance listed in schedule 1 or 2 pursuant to section 152.02 with the exception of marijuana; or

(3) to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both, if:

(a) the value of the property or services stolen is more than \$500 but not more than \$2,500; or

(b) the property stolen was a controlled substance listed in schedule 3, 4, or 5 pursuant to section 152.02; or

(c) the value of the property or services stolen is more than \$200 but not more than \$500 and the person has been convicted within the preceding five years for an offense under this section, section 256.98; 268.18, subdivision 3; 609.24; 609.245; 609.53; 609.582, subdivision 1, 2, or 3; 609.625; 609.63; 609.631; or 609.821, or a statute from another state in conformity with any of those sections, and the person received a felony or gross misdemeanor sentence for the offense, or a sentence that was stayed under section 609.135 if the offense to which a plea was entered would allow imposition of a felony or gross misdemeanor sentence; or

(4) to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both, notwithstanding the value of the property or services stolen is not more than \$200, if any of the following circumstances exist:

(a) the property is taken from the person of another or from a corpse, or grave or coffin containing a corpse; or

(b) the property is a record of a court or officer, or a writing, instrument or record kept, filed or deposited according to law with or in the keeping of any public officer or office; or

(c) the property is taken from a burning building or upon its removal therefrom, or from an area of destruction caused by civil disaster, riot, bombing, or the proximity of battle; or

(d) the property consists of public funds belonging to the state or to any political subdivision or agency thereof; or

(e) the property is a firearm; or

(f) the property stolen was a motor vehicle as defined in section 609.55; or

(5) to imprisonment for not more than ten years or to payment of a fine of not more than \$20,000, or both, if the property stolen is an article representing a trade secret; or if the property stolen is an explosive or an incendiary device; or

(6) to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both, if the value of the property or services stolen is more than \$200 but not more than \$500; or

(7) in all other cases where the value of the property or services stolen is \$200 or less, to imprisonment for not more than 90 days or to payment of a fine of not more than \$700, or both, provided, however, in any prosecution under clauses (1), (2), (3), (4), and (13) of subdivision 2 the value of the money or property or services received by the defendant in violation of any one or more of the above provisions within any six-month period may be aggregated and the defendant charged accordingly in applying the provisions of this subdivision; provided that when two or more offenses are committed by the same person in two or more counties, the accused may be prosecuted in any county in which one of the offenses was committed for all of the offenses aggregated under this paragraph."

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 12, after the first semicolon, insert "268.18, subdivision 3; 609.52, subdivision 3;"

The motion prevailed. So the amendment was adopted.

S.F. No. 994, which the committee recommends to pass with the following amendments offered by Mrs. Lantry:

Page 2, line 23, delete "*police*" and insert "*peace*" and after "*officer*" insert "*as defined by section 626.84*"

The motion prevailed. So the amendment was adopted.

Mrs. Lantry then moved to amend S.F. No. 994 as follows:

Page 2, line 24, delete "*or*" and after "*technician*" insert "*, or registered nurse*"

Page 2, line 26, after "*giving*" insert "*emergency*"

Page 2, line 27, delete "*attention*" and insert "*care prior to admission to a medical facility*"

The motion prevailed. So the amendment was adopted.

S.F. No. 1882, which the committee recommends to pass with the following amendment offered by Mr. Spear:

Page 1, line 9, after "*a*" insert "*nonpublic school or school*" and after "*district*" insert:

"(1)"

Page 1, line 10, after "*124.646*" insert "*or participates in the school breakfast program;*" and delete "*if it*" and insert:

"(2)"

Page 1, line 11, after "*the*" insert "*nonpublic school or school*"

Page 1, line 12, delete "*or a lactose enzyme*" and insert "*; milk fortified with lactace*" and delete the second "*or*" and insert a comma

Page 1, line 13, after "*tablet*" insert "*, granular or other*" and delete "*with milk*" and insert "*; or milk to which lactobacillus acidophilus has been added*"

Page 1, line 15, delete "*district*"

The motion prevailed. So the amendment was adopted.

S.F. No. 2212, which the committee recommends to pass with the following amendment offered by Mr. Knutson:

Page 2, after line 18, insert:

"Sec. 3. [NOTIFICATION TO LANDOWNERS.]

At least 30 days before the commissioner of natural resources acquires land for the Paul Bunyan Trail under section 2, the commissioner must notify adjoining landowners of a hearing on the acquisition. The commissioner must hold a hearing on the land acquisition and development of the trail."

Renumber the sections in sequence

The motion prevailed. So the amendment was adopted.

On motion of Mr. Moe, R.D., the report of the Committee of the Whole, as kept by the Secretary, was adopted.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess until 6:30 p.m. The motion prevailed.

The hour of 6:30 p.m. having arrived, the President called the Senate to order.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Luther moved that the Senate revert to the Orders of Business of Messages From the House, First Reading of House Bills, Reports of Committees, Second Reading of Senate Bills and Second Reading of House Bills. The motion prevailed.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S.F. Nos. 678 and 852.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 22, 1988

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 1777, 2041, 2106, 2596, 1935 and 2049.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 21, 1988

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 1983, 2155, 2190, 2524 and 1865.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 22, 1988

FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H.F. No. 1777: A bill for an act relating to the city of Minneapolis; providing for postretirement payments for Minneapolis police officers and Minneapolis firefighters, their surviving spouses and dependents; amending Laws 1949, chapter 406, section 5, by adding a subdivision.

Referred to the Committee on Governmental Operations.

H.F. No. 2041: A bill for an act relating to agriculture; limiting ownership of agricultural land by certain corporations and limited partnerships; amending Minnesota Statutes 1986, section 500.24, subdivision 3; Minnesota Statutes 1987 Supplement, section 500.24, subdivision 2.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1996, now on General Orders.

H.F. No. 2106: A bill for an act relating to public employees; providing that certain historical society employees be eligible for public employees benefits; amending Minnesota Statutes 1986, section 471.61, subdivision 1; and Minnesota Statutes 1987 Supplement, section 353.01, subdivision 2a.

Referred to the Committee on Governmental Operations.

H.F. No. 2596: A bill for an act relating to metropolitan government; creating a legislative task force to monitor performance of metropolitan agencies in complying with certain laws; prescribing the contents of affirmative action plans for metropolitan agencies and a process for approval and reporting of those plans; requiring purchases from businesses owned by socially or economically disadvantaged persons; amending Minnesota Statutes 1986, sections 473.141, subdivision 9; and 473.406, subdivisions 2, 5, 6, and 7; proposing coding for new law in Minnesota Statutes, chapters 3 and 473.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2513.

H.F. No. 1935: A bill for an act relating to insurance; accident and health; broadening the average for adopted children; requiring coverage for routine diagnostic procedures for cancer and services provided to ventilator-dependent persons; amending Minnesota Statutes 1987 Supplement, section 62A.27; and proposing coding for new law in Minnesota Statutes, chapter 62A.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1838, now on General Orders.

H.F. No. 2049: A bill for an act relating to commerce; motor vehicles; clarifying the intent of the legislature regarding certain motor vehicle coverages; regulating motor vehicle franchises; clarifying the intent of the legislature regarding cancellations, terminations, or nonrenewals; specifying unfair practices; prohibiting agreements designed to waive, nullify, or modify statutory regulation; requiring lessors to title and register vehicles; amending Minnesota Statutes 1986, sections 60A.08, by adding a subdivision; 80E.06; 80E.07; 80E.08; 80E.09; 80E.13; Minnesota Statutes 1987 Supplement, sections 65B.49, subdivision 5a; and 72A.125, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 80E.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1844, now on General Orders.

H.F. No. 1983: A bill for an act relating to sentencing; directing the

sentencing guidelines commission to study certain sentencing issues; requiring the commission to report back to the legislature with proposed changes to respond to these issues; proposing coding for new law in Minnesota Statutes, chapter 244.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2125, now on General Orders.

H.F. No. 2155: A bill for an act relating to natural resources; revising provisions relating to the Heartland Trail; establishing the Paul Bunyan Trail; amending Minnesota Statutes 1986, section 85.015, subdivision 12, and by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2212, now on the Calendar.

H.F. No. 2190: A bill for an act relating to local government; permitting certain cities and towns to contribute to a hospital.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2046, now on the Calendar.

H.F. No. 2524: A bill for an act relating to local government; including certain parcels in a tax increment financing district located in the city of Virginia.

Referred to the Committee on Taxes and Tax Laws.

H.F. No. 1865: A bill for an act relating to the town of White Bear; authorizing the town of White Bear to establish an economic development authority; giving the town of White Bear the powers of a city with respect to the authority.

Referred to the Committee on Taxes and Tax Laws.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of the report on S.F. No. 1892. The motion prevailed.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 1892: A bill for an act relating to corporations; making certain corrections to shareholder protection and corporate take-over legislation; eliminating restrictions on certain business combinations with an interested shareholder after five years; amending Minnesota Statutes 1986, section 80B.03, subdivisions 1 and 6; 302A.243; Minnesota Statutes 1987 Supplement, sections 302A.011, subdivisions 37, 41, 42, 46, 49, 50, and 51; 302A.553, subdivision 3; 302A.671, subdivisions 2, 3, 4, and 4a; and 302A.673.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 80B.03, subdivision 1, is amended to read:

Subdivision 1. It is unlawful for any person to make a takeover offer or to acquire any equity securities pursuant to the offer, unless the offer is

effective under sections 80B.01 to 80B.13. A takeover offer is effective when the offeror files with the commissioner a registration statement containing the information prescribed in subdivisions 2 and 6. The offeror shall deliver a copy of the registration statement by personal service to the target company at its principal office and publicly disclose the material terms of the proposed offer, not later than the date of filing of the registration statement. Public disclosure shall require, at a minimum, that a copy of the registration statement be supplied to all broker-dealers maintaining an office in this state currently quoting the security. The offeror shall send or deliver to all offerees as soon as practicable after the filing, the material terms of the proposed offer and the information specified in subdivision 6.

Sec. 2. Minnesota Statutes 1986, section 80B.03, subdivision 6, is amended to read:

Subd. 6. The form required to be filed by subdivision 2, clause (a), shall contain the following information:

(a) the identity and background of all persons on whose behalf the acquisition of any equity security of the issuer target company has been or is to be affected effected including the identity and background of each member of a partnership, limited partnership, syndicate, or other group constituting the person and the identity and background of each affiliate and associate of the person, including the identity and background of each affiliate and associate of each member of the partnership, syndicate, or other group; provided, however, that with respect to a limited partnership, the information need only be given with respect to a partner who is denominated or functions as a general partner and each affiliate and associate of the general partner;

(b) the source and amount of funds or other consideration used or to be used in acquiring any equity security, including, if applicable, a statement describing any securities which are being offered in exchange for the equity securities of the issuer, and if any part of the acquisition price is or will be represented by borrowed funds or other consideration, a description of the material terms of any financing arrangements and the names of the parties from whom the funds were borrowed the material terms of the financial arrangements for the take-over;

(c) if the purpose of the acquisition is to gain control of the target company, a statement of plans or proposals which the person has, upon gaining control, to liquidate the issuer, sell its assets, effect its merger or consolidation, to change the location of its principal executive office or of a material portion of its business activities, to change its management or policies of employment, to materially alter its relationship with suppliers or customers or the communities in which it operates, or make any other major change in its business, corporate structure, management or personnel, and such other objective facts as would be substantially likely to affect a reasonable shareholder's evaluation of the takeover offer any plans or proposals of any person identified under paragraph (a), including plans or proposals under consideration, to (1) liquidate or dissolve the target company, (2) sell all or a substantial part of its assets, or merge it or exchange its shares with another person, (3) change the location of its principal place of business or its principal executive office or of a material portion of its business activities, (4) change materially its management or policies of employment, (5) change materially its charitable or community

contributions or related policies, programs, or practices, (6) change materially its relationship with suppliers or customers or the communities in which it operates, or (7) make any other material change in its business, corporate structure, management or personnel, and other objective facts as would be substantially likely to affect the decision of a shareholder with respect to the take-over offer;

(d) the number of shares or units of any equity security of the issuer owned beneficially by the person and any affiliate or associate of the person, together with the name and address of each affiliate or associate;

(e) the material terms of any contract, arrangement, or understanding with any other person with respect to the equity securities of the issuer whereby the person filing the statement has or will acquire any interest in additional equity securities of the issuer, or is or will be obligated to transfer any interest in the equity securities to another and class or series of shares of the target company beneficially owned, directly or indirectly, by each of the persons identified under paragraph (a).

Sec. 3. Minnesota Statutes 1987 Supplement, section 302A.011, subdivision 37, is amended to read:

Subd. 37. [ACQUIRING PERSON.] "Acquiring person" means a person that makes or proposes to make a control share acquisition. When two or more persons act as a partnership, limited partnership, syndicate, or other group pursuant to any written or oral agreement, arrangement, relationship, understanding, or otherwise (~~whether or not in writing~~) for the purposes of acquiring, owning, or voting shares of an issuing public corporation, all members of the partnership, syndicate, or other group constitute a "person."

"Acquiring person" does not include (a) a licensed broker/dealer or licensed underwriter who (1) purchases shares of an issuing public corporation solely for purposes of resale to the public and (2) is not acting in concert with an acquiring person, or (b) a person who becomes entitled to exercise or direct the exercise of a new range of voting power within any of the ranges specified in section 302A.671, subdivision 2, paragraph (d), solely as a result of a repurchase of shares by, or recapitalization of, the issuing public corporation or similar action unless (1) the repurchase, recapitalization, or similar action was proposed by or on behalf of, or pursuant to any written or oral agreement, arrangement, relationship, understanding, or otherwise with, the person or any affiliate or associate of the person or (2) the person thereafter acquires beneficial ownership, directly or indirectly, of outstanding shares entitled to vote of the issuing public corporation and, immediately after the acquisition, is entitled to exercise or direct the exercise of the same or a higher range of voting power under section 302A.671, subdivision 2, paragraph (d), as the person became entitled to exercise as a result of the repurchase, recapitalization, or similar action.

Sec. 4. Minnesota Statutes 1987 Supplement, section 302A.011, subdivision 41, is amended to read:

Subd. 41. [BENEFICIAL OWNER; BENEFICIAL OWNERSHIP] (a) "Beneficial owner," when used with respect to shares or other securities, includes, but is not limited to, any person who, directly or indirectly through any written or oral agreement, arrangement, relationship, understanding, or otherwise (~~whether or not in writing~~), has or shares the power to vote, or direct the voting of, the shares or securities ~~and/or~~ or has or shares the

power to dispose of, or direct the disposition of, the shares or securities, ~~provided~~ *except* that (1) a person shall not be deemed the beneficial owner of shares or securities tendered pursuant to a tender or exchange offer made by the person or any of the person's affiliates or associates until the tendered shares or securities are accepted for purchase or exchange, and ~~provided that~~ (2) a person shall not be deemed the beneficial owner of shares or securities with respect to which the person has the power to vote or direct the voting arising solely from a revocable proxy given in response to a proxy solicitation required to be made and made in accordance with the applicable rules and regulations under the Securities Exchange Act of 1934 and is not then reportable under that act on a Schedule 13D or comparable report.

(b) "Beneficial ownership" includes, but is not limited to, the right to acquire shares or securities through the exercise of options, warrants, or rights, or the conversion of convertible securities, or otherwise. The shares or securities subject to the options, warrants, rights, or conversion privileges held by a person shall be deemed to be outstanding for the purpose of computing the percentage of outstanding shares or securities of the class or series owned by the person, but shall not be deemed to be outstanding for the purpose of computing the percentage of the class or series owned by any other person. A person shall be deemed the beneficial owner of shares and securities beneficially owned by any relative or spouse of the person or any relative of the spouse residing in the home of the person; any trust or estate in which the person owns ten percent or more of the total beneficial interest or serves as trustee or executor or in a similar fiduciary capacity, any corporation or entity in which the person owns ten percent or more of the equity, and any affiliate of the person.

(c) *When two or more persons act or agree to act as a partnership, limited partnership, syndicate, or other group for the purposes of acquiring, owning, or voting shares or other securities of a corporation, all members of the partnership, syndicate, or other group are deemed to constitute a "person" and to have acquired beneficial ownership, as of the date they first so act or agree to act together, of all shares or securities of the corporation beneficially owned by the person.*

Sec. 5. Minnesota Statutes 1987 Supplement, section 302A.011, subdivision 42, is amended to read:

Subd. 42. [INTERESTED SHARES.] "Interested shares" means the shares of an issuing public corporation ~~with respect to which~~ *beneficially owned* by any of the following persons ~~may exercise or direct the exercise of voting power in the election of directors of the issuing public corporation:~~ (1) ~~an~~ *the* acquiring person, (2) any officer of the issuing public corporation, or (3) any employee of the issuing public corporation who is also a director of the issuing public corporation.

Sec. 6. Minnesota Statutes 1987 Supplement, section 302A.011, subdivision 46, is amended to read:

Subd. 46. [BUSINESS COMBINATION.] "Business combination," when used in reference to any issuing public corporation and any interested shareholder of the issuing public corporation, means any of the following:

(a) any merger of the issuing public corporation or any subsidiary of the issuing public corporation with (1) the interested shareholder or (2) any other domestic or foreign corporation (whether or not itself an interested

shareholder of the issuing public corporation) that is, or after the merger would be, an affiliate or associate of the interested shareholder, ~~provided, however, that the foregoing shall not include but excluding~~ (1) the merger of a wholly-owned subsidiary of the issuing public corporation into the issuing public corporation or, (2) the merger of two or more wholly-owned subsidiaries of the issuing public corporation, or (3) *the merger of a corporation, other than an interested shareholder or an affiliate or associate of an interested shareholder, with a wholly-owned subsidiary of the issuing public corporation pursuant to which the surviving corporation, immediately after the merger, becomes a wholly-owned subsidiary of the issuing public corporation;*

(b) any exchange, pursuant to a plan of exchange under section 302A.601, subdivision 2, or a comparable statute of any other state or jurisdiction, of shares or other securities of the issuing public corporation or any subsidiary of the issuing corporation or money, or other property for shares, other securities, money, or property of (1) the interested shareholder or (2) any other domestic or foreign corporation (whether or not itself an interested shareholder of the issuing public corporation) that is, or after the exchange would be, an affiliate or associate of the interested shareholder, *but excluding the exchange of shares of a corporation, other than an interested shareholder or an affiliate or associate of an interested shareholder, pursuant to which the corporation, immediately after the exchange, becomes a wholly-owned subsidiary of the issuing public corporation;*

(c) any sale, lease, exchange, mortgage, pledge, transfer, or other disposition (in a single transaction or a series of transactions), *other than sales of goods or services in the ordinary course of business or redemptions pursuant to section 302A.671, subdivision 6,* to or with the interested shareholder or any affiliate or associate of the interested shareholder, *other than to or with the issuing public corporation or a wholly-owned subsidiary of the issuing public corporation,* of assets of the issuing public corporation or any subsidiary of the issuing public corporation (1) having an aggregate market value equal to ten percent or more of the aggregate market value of all the assets, determined on a consolidated basis, of the issuing public corporation, (2) having an aggregate market value equal to ten percent or more of the aggregate market value of all the outstanding shares of the issuing public corporation; or (3) representing ten percent or more of the earning power or net income, determined on a consolidated basis, of the issuing public corporation *except a cash dividend or distribution paid or made pro rata to all shareholders of the issuing public corporation;*

(d) the issuance or transfer by the issuing public corporation or any subsidiary of the issuing public corporation (in a single transaction or a series of transactions) of any shares of the issuing public corporation or any subsidiary of the issuing public corporation that have an aggregate market value equal to five percent or more of the aggregate market value of all the outstanding shares of the issuing public corporation to the interested shareholder or any affiliate or associate of the interested shareholder, except pursuant to the exercise of warrants or rights to purchase shares offered, or a dividend or distribution paid or made, pro rata to all shareholders of the issuing public corporation *other than for the purpose, directly or indirectly, of facilitating or effecting a subsequent transaction that would have been a business combination if the dividend or distribution had not been made;*

(e) the adoption of any plan or proposal for the liquidation or dissolution

of the issuing public corporation, or any reincorporation of the issuing public corporation in another state or jurisdiction, proposed by or on behalf of, or pursuant to any *written or oral agreement, arrangement, or relationship*, understanding, or otherwise (~~whether or not in writing~~) with, the interested shareholder or any affiliate or associate of the interested shareholder;

(f) any reclassification of securities (including without limitation any share dividend or split, reverse share split, or other distribution of shares in respect of shares), recapitalization of the issuing public corporation, merger of the issuing public corporation with any subsidiary of the issuing public corporation, exchange of shares of the issuing public corporation with any subsidiary of the issuing public corporation, or other transaction (whether or not with or into or otherwise involving the interested shareholder), proposed by or on behalf of, or pursuant to any *written or oral agreement, arrangement, or relationship*, understanding, or otherwise (~~whether or not in writing~~) with, the interested shareholder or any affiliate or associate of the interested shareholder, that has the effect, directly or indirectly, of increasing the proportionate share of the outstanding shares of any class or series of shares entitled to vote, or securities that are exchangeable for, convertible into, or carry a right to acquire shares entitled to vote, of the issuing public corporation or any subsidiary of the issuing public corporation that is, directly or indirectly, owned by the interested shareholder or any affiliate or associate of the interested shareholder, except as a result of immaterial changes due to fractional share adjustments;

(g) any receipt by the interested shareholder or any affiliate or associate of the interested shareholder of the benefit, directly or indirectly (except proportionately as a shareholder of the issuing public corporation), of any loans, advances, guarantees, pledges, or other financial assistance, or any tax credits or other tax advantages provided by or through the issuing public corporation or any subsidiary of the issuing public corporation.

Sec. 7. Minnesota Statutes 1987 Supplement, section 302A.011, subdivision 49, is amended to read:

Subd. 49. [INTERESTED SHAREHOLDER.] "Interested shareholder," when used in reference to any issuing public corporation, means any person (other than the issuing public corporation or any subsidiary of the issuing public corporation) that is (1) the beneficial owner, directly or indirectly, of ten percent or more of the voting power of the outstanding shares entitled to vote of the issuing public corporation or (2) an affiliate or associate of the issuing public corporation and at any time within the five-year period immediately before the date in question was the beneficial owner, directly or indirectly, of ten percent or more of the voting power of the then outstanding shares entitled to vote of the issuing public corporation. *Notwithstanding anything stated in this subdivision, if a person who has not been a beneficial owner of ten percent or more of the voting power of the outstanding shares entitled to vote of the issuing public corporation immediately prior to a repurchase of shares by, or recapitalization of, the issuing public corporation or similar action shall become a beneficial owner of ten percent or more of the voting power solely as a result of the share repurchase, recapitalization, or similar action, the person shall not be deemed to be the beneficial owner of ten percent or more of the voting power for purposes of clause (1) or (2) unless:*

(i) *the repurchase, recapitalization, conversion, or similar action was proposed by or on behalf of, or pursuant to any agreement, arrangement,*

relationship, understanding, or otherwise (whether or not in writing) with, the person or any affiliate or associate of the person; or

(ii) the person thereafter acquires beneficial ownership, directly or indirectly, of outstanding shares entitled to vote of the issuing public corporation and, immediately after the acquisition, is the beneficial owner, directly or indirectly, of ten percent or more of the voting power of the outstanding shares entitled to vote of the issuing public corporation.

Sec. 8. Minnesota Statutes 1987 Supplement, section 302A.011, subdivision 50, is amended to read:

Subd. 50. [MARKET VALUE.] "Market value," when used in reference to shares or *other* property of any ~~issuing public~~ corporation, means the following:

(1) in the case of shares, the ~~highest average closing sale price of a share on the composite tape for New York Stock Exchange listed shares during the 30-day period 30 trading days immediately preceding the date in question or, with respect to the references in section 302A.553, subdivision 3, if a person or persons selling the shares have commenced a tender offer or have announced an intention to seek control of the corporation, during the 30 trading days preceding the earlier of the commencement of the tender offer or the making of the announcement of a share on the composite tape for New York Stock Exchange listed shares, or, if the shares are not quoted on the composite tape or not listed on the New York Stock Exchange, on the principal United States securities exchange registered under the Securities Exchange Act of 1934 on which the shares are listed, or, if the shares are not listed on any such exchange, on the National Association of Securities Dealers, Inc. Automated Quotations National Market System, or, if the shares are not quoted on the National Association of Securities Dealers, Inc. Automated Quotations National Market System, the highest average closing bid quotation during the 30-day period 30 trading days preceding the date purchase of the shares in question of a share on the National Association of Securities Dealers, Inc. Automated Quotations System or any system then in use, or, with respect to the reference in section 302A.553, subdivision 3, if the person or persons selling the shares shall have commenced a tender offer or have announced an intention to seek control of the corporation, during the 30 trading days preceding the earlier of the commencement of the tender offer or the making of the announcement, provided that if no such quotation is available, the market value is the fair market value on the date in question of a share the shares as determined in good faith by the board of the issuing public corporation, subject to arbitration;~~

(2) in the case of property other than cash or shares, the fair market value of the property on the date in question as determined in good faith by the board of the ~~issuing public~~ corporation, ~~subject to arbitration.~~

Sec. 9. Minnesota Statutes 1987 Supplement, section 302A.011, subdivision 51, is amended to read:

Subd. 51. [SHARE ACQUISITION DATE.] "Share acquisition date," with respect to any person and any issuing public corporation, means the date that the person first becomes an interested shareholder of the issuing public corporation; *provided, however, that in the event a person becomes, on one or more dates, an interested shareholder of the issuing public corporation, but thereafter ceases to be an interested shareholder of the*

issuing public corporation, and subsequently again becomes an interested shareholder, "share acquisition date," with respect to that person means the date on which the person most recently became an interested shareholder of the issuing public corporation.

Sec. 10. Minnesota Statutes 1987 Supplement, section 302A.471, subdivision 1, is amended to read:

Subdivision 1. [ACTIONS CREATING RIGHTS.] A shareholder of a corporation may dissent from, and obtain payment for the fair value of the shareholder's shares in the event of, any of the following corporate actions:

(a) An amendment of the articles that materially and adversely affects the rights or preferences of the shares of the dissenting shareholder in that it:

(1) alters or abolishes a preferential right of the shares;

(2) creates, alters, or abolishes a right in respect of the redemption of the shares, including a provision respecting a sinking fund for the redemption or repurchase of the shares;

(3) alters or abolishes a preemptive right of the holder of the shares to acquire shares, securities other than shares, or rights to purchase shares or securities other than shares;

(4) excludes or limits the right of a shareholder to vote on a matter, or to cumulate votes, except as the right may be limited by dilution through the issuance of securities with similar voting rights; *except that an amendment to the articles of an issuing public corporation that provides that section 302A.671 does not apply to a control share acquisition does not give rise to the right to obtain payment under this section;*

(b) A sale, lease, transfer, or other disposition of all or substantially all of the property and assets of the corporation not made in the usual or regular course of its business, but not including a disposition in dissolution described in section 302A.725, subdivision 2, or a disposition pursuant to an order of a court, or a disposition for cash on terms requiring that all or substantially all of the net proceeds of disposition be distributed to the shareholders in accordance with their respective interests within one year after the date of disposition;

(c) A plan of merger to which the corporation is a party, except as provided in subdivision 3;

(d) A plan of exchange to which the corporation is a party as the corporation whose shares will be acquired by the acquiring corporation, if the shares of the shareholder are entitled to be voted on the plan; or

(e) Any other corporate action taken pursuant to a shareholder vote with respect to which the articles, the bylaws, or a resolution approved by the board directs that dissenting shareholders may obtain payment for their shares.

Sec. 11. Minnesota Statutes 1987 Supplement, section 302A.553, subdivision 3, is amended to read:

Subd. 3. [LIMITATION ON SHARE PURCHASES.] Except for redemptions under section 302A.671, subdivision 6, a publicly held corporation shall not, directly or indirectly, purchase or agree to purchase any shares

entitled to vote from a person (or two or more persons who act as a partnership, limited partnership, syndicate, or other group pursuant to any *written or oral* agreement, arrangement, relationship, understanding, or otherwise, ~~whether or not in writing~~, for the purpose of acquiring, owning, or voting shares of the publicly held corporation) who beneficially owns more than five percent of the voting power of the publicly held corporation for more than the ~~average~~ market price value thereof if the shares have been beneficially owned by the person or persons for less than six months, unless the purchase or agreement to purchase is approved at a meeting of shareholders by the affirmative vote of the holders of a majority of the voting power of all shares entitled to vote or the publicly held corporation makes an offer, of at least equal value per share, to all holders of shares of ~~such~~ the class or series and to all holders of any class or series into which the securities may be converted. For purposes of this section, the average market price shall mean: the average closing sale price during the 30 trading days immediately preceding the purchase of the shares in question (or if the person or persons have commenced a tender offer or have announced an intention to seek control of the publicly held corporation, during the 30 trading days preceding the earlier of the commencement of the tender offer or the making of the announcement), of a share on the composite tape for New York Stock Exchange listed shares, or, if the shares are not quoted on the composite tape or not listed on the New York Stock Exchange, on the principal United States securities exchange registered under the Securities Exchange Act of 1934 on which the shares are listed, or, if the shares are not listed on any such exchange, on the National Association of Securities Dealers, Inc. Automated Quotations National Market System, or, if the shares are not quoted on the National Association of Securities Dealers, Inc. Automated Quotations National Market System, the average closing bid quotation, during the 30 trading days preceding the purchase of the shares in question of a share on the National Association of Securities Dealers, Inc. Automated Quotations System or any system then in use (or if the person or persons have commenced a tender offer or have announced an intention to seek control of the publicly held corporation, during the 30 trading days preceding the earlier of the commencement of the tender offer or the making of the announcement), provided that if no quotation is available, the average market price shall be the fair market value on the date of purchase of the shares in question of a share as determined in good faith by the board of the publicly held corporation.

Sec. 12. Minnesota Statutes 1987 Supplement, section 302A.671, subdivision 1, is amended to read:

Subdivision 1. [AUTHORIZATION IN ARTICLES APPLICATION.] (a) Unless otherwise expressly provided in the articles or in bylaws approved by the shareholders of an issuing public corporation, this section applies to a control share acquisition consummated, or a proposed control share acquisition with respect to which an information statement has been received by the issuing public corporation, on or before July 31, 1989.

Unless otherwise expressly provided in the articles or in bylaws approved by the shareholders of an issuing public corporation, this section does not apply to a control share acquisition consummated after July 31, 1989, with respect to which no information statement has been received by the issuing public corporation, on or before July 31, 1989.

(b) The shares of an issuing public corporation acquired by an acquiring person in a control share acquisition that exceed the threshold of voting

power of any of the ranges specified in subdivision 2, paragraph (d), shall have only the voting rights as shall be accorded to them pursuant to subdivision 4a.

Sec. 13. Minnesota Statutes 1987 Supplement, section 302A.671, subdivision 2, is amended to read:

Subd. 2. [INFORMATION STATEMENT.] An acquiring person shall deliver to the issuing public corporation at its principal executive office an information statement containing all of the following:

(a) the identity *and background* of the acquiring person, including the identity *and background* of each member of any partnership, limited partnership, syndicate, or other group constituting the acquiring person, and the identity *and background* of each affiliate and associate of the acquiring person, including the identity *and background* of each affiliate and associate of each member of such partnership, syndicate, or other group; *provided, however, that with respect to a limited partnership, the information need only be given with respect to a partner who is denominated or functions as a general partner and each affiliate and associate of the general partner;*

(b) a reference that the information statement is made under this section;

(c) the number and class or series of shares of the issuing public corporation beneficially owned, directly or indirectly, before the control share acquisition by each of the persons identified pursuant to paragraph (a);

(d) the number and class or series of shares of the issuing public corporation acquired or proposed to be acquired pursuant to paragraph (a) and specification of which of the following ranges of voting power in the election of directors that, except for this section, resulted or would result from consummation of the control share acquisition:

(1) at least 20 percent but less than 33-1/3 percent;

(2) at least 33-1/3 percent but less than or equal to 50 percent;

(3) over 50 percent; and

(e) the terms of the control share acquisition or proposed control share acquisition, including, but not limited to, the source of funds or other consideration and the material terms of the financial arrangements for the control share acquisition; plans or proposals of the acquiring person (including plans or proposals under consideration) to (1) liquidate or dissolve the issuing public corporation, ~~to~~ (2) sell all or a substantial part of its assets, or merge it or exchange its shares with any other person, ~~to~~ (3) change the location of its principal place of business or its principal executive office or of a material portion of its business activities, ~~to~~ (4) change materially its management or policies of employment, ~~to~~ (5) change materially its charitable or community contributions or its policies, programs, or practices relating thereto, ~~to~~ (6) change materially its relationship with suppliers or customers or the communities in which it operates, or ~~to~~ (7) make any other material change in its business, corporate structure, management or personnel; and ~~such~~ other objective facts as would be substantially likely to affect the decision of a shareholder with respect to voting on the control share acquisition.

If any material change occurs in the facts set forth in the information statement, including but not limited to any material increase or decrease

in the number of shares of the issuing public corporation acquired or proposed to be acquired by the persons identified pursuant to paragraph (a), the acquiring person shall promptly deliver to the issuing public corporation at its principal executive office an amendment to the information statement containing information relating to ~~such~~ *the* material change. An increase or decrease or proposed increase or decrease equal, in the aggregate for all persons identified pursuant to paragraph (a), to one percent or more of the total number of outstanding shares of any class or series of the issuing public corporation shall be deemed "material" for purposes of this paragraph; an increase or decrease or proposed increase or decrease of less than this amount may be material, depending upon the facts and circumstances.

Sec. 14. Minnesota Statutes 1987 Supplement, section 302A.671, subdivision 3, is amended to read:

Subd. 3. [MEETING OF SHAREHOLDERS.] If the acquiring person so requests in writing at the time of delivery of an information statement pursuant to subdivision 2, and has made, or has made a bona fide written offer to make, a control share acquisition and gives a written undertaking to pay or reimburse the issuing public corporation's expenses of a special meeting, except the expenses of the issuing public corporation in opposing ~~approval of~~ *according voting rights with respect to shares acquired or to be acquired* in the control share acquisition, within ten days after receipt by the issuing public corporation of the information statement, a special meeting of the shareholders of the issuing public corporation shall be called pursuant to section 302A.433, subdivision 1; for the *sole* purpose of considering the voting rights to be accorded to shares referred to in subdivision 1, paragraph (b), acquired or to be acquired pursuant to the control share acquisition. The special meeting shall be held no later than 55 days after receipt of the information statement *and written undertaking to pay or reimburse the issuing public corporation's expenses of the special meeting*, unless the acquiring person agrees to a later date. If the acquiring person so requests in writing at the time of delivery of the information statement, the special meeting shall not be held sooner than 30 days after receipt by the issuing public corporation of the information statement. *The record date for the meeting must be at least 30 days prior to the date of the meeting.* If no request for a special meeting is made, consideration of the voting rights to be accorded to shares referred to in subdivision 1, paragraph (b), acquired or to be acquired pursuant to the control share acquisition shall be presented at the next special or annual meeting of the shareholders, unless prior thereto the matter of the voting rights becomes moot. The notice of the meeting shall at a minimum be accompanied by a copy of the information statement (and a copy of any amendment to the information statement previously delivered to the issuing public corporation) and a statement disclosing that the board of the issuing public corporation recommends approval of, expresses no opinion and is remaining neutral toward, recommends rejection of, or is unable to take a position with respect to according voting rights to shares referred to in subdivision 1, paragraph (b), acquired or to be acquired in the control share acquisition. The notice of meeting shall be given at least ten days prior to the meeting. *Any amendments to the information statement received after mailing of the notice of the meeting must be mailed promptly to the shareholders by the issuing public corporation.*

Sec. 15. Minnesota Statutes 1987 Supplement, section 302A.671, subdivision 4, is amended to read:

Subd. 4. [FINANCING.] Notwithstanding anything to the contrary contained in this chapter, no call of a special meeting of the shareholders of the issuing public corporation shall be required to be made pursuant to subdivision 3 and no consideration of the voting rights to be accorded to shares referred to in subdivision 1, paragraph (b), acquired or to be acquired pursuant to a control share acquisition shall be presented at any special or annual meeting of the shareholders of the issuing public corporation unless at the time of delivery of the information statement pursuant to subdivision 2, the acquiring person shall have entered into, and shall deliver to the issuing public corporation a copy or copies of, a definitive financing agreement or definitive financing agreements, with one or more responsible financial ~~institution~~ institutions or other ~~entity~~ entities having the necessary financial capacity, for any financing of the control share acquisition not to be provided by funds of the acquiring person. *A financing agreement is not deemed not definitive for purposes of this subdivision solely because it contains conditions or contingencies customarily contained in term loan agreements with financial institutions.*

Sec. 16. Minnesota Statutes 1987 Supplement, section 302A.671, subdivision 4a, is amended to read:

Subd. 4a. [VOTING RIGHTS.] (a) Shares referred to in subdivision 1, paragraph (b), acquired in a control share acquisition shall have the same voting rights as other shares of the same class or series only if approved by resolution of shareholders of the issuing public corporation at a special or annual meeting of shareholders pursuant to subdivision 3.

(b) The resolution of shareholders must be approved by (1) the affirmative vote of the holders of a majority of the voting power of all shares entitled to vote *including all shares held by the acquiring person*, and (2) the affirmative vote of the holders of a majority of the voting power of all shares entitled to vote excluding all interested shares. A class or series of shares of the issuing public corporation is entitled to vote separately as a class or series if any provision of the control share acquisition would, if contained in a proposed amendment to the articles, entitle the class or series to vote separately as a class or series.

(c) To have the voting rights accorded by approval of a resolution of shareholders, any proposed control share acquisition not consummated prior to the time of the shareholder approval must be consummated within 180 days after the shareholder approval.

(d) Any shares referred to in subdivision 1, paragraph (b), acquired in a control share acquisition that do not have voting rights accorded to them by approval of a resolution of shareholders shall regain their voting rights upon transfer to a person other than the acquiring person or any affiliate or associate of the acquiring person unless the acquisition of the shares by the other person constitutes a control share acquisition, in which case the voting rights of the shares are subject to the provisions of this section.

Sec. 17. Minnesota Statutes 1987 Supplement, section 302A.673, subdivision 1, is amended to read:

Subdivision 1. [BUSINESS COMBINATION WITH INTERESTED SHAREHOLDER; APPROVAL BY DIRECTORS.] (a) Notwithstanding anything to the contrary contained in this chapter (except the provisions of subdivision 3), an issuing public corporation may not engage in any business combination, or vote, consent, or otherwise act to authorize a

subsidiary of the issuing public corporation to engage in any business combination, with, with respect to, proposed by or on behalf of, or pursuant to any *written or oral* agreement, arrangement, ~~or relationship,~~ understanding, ~~or otherwise (whether or not in writing)~~ with, any interested shareholder of the issuing public corporation or any affiliate or associate of the interested shareholder for a period of five years following the interested shareholder's share acquisition date unless the business combination or the acquisition of shares made by the interested shareholder on the interested shareholder's share acquisition date is approved by a committee of the board of the issuing public corporation before the interested shareholder's share acquisition date. The committee shall be formed in accordance with paragraph (d).

(b) If a good faith definitive proposal regarding a business combination is made in writing to the board of the issuing public corporation, a committee of the board formed in accordance with paragraph (d) shall consider and take action on the proposal and respond in writing within ~~45~~ 30 days after receipt of the proposal by the issuing public corporation, ~~or a shorter period, if any, as may be required by the Securities Exchange Act of 1934 or rules and regulations under that act,~~ setting forth its decision regarding the proposal.

(c) If a good faith definitive proposal to acquire shares is made in writing to the board of the issuing public corporation, a committee of the board formed in accordance with paragraph (d), shall consider and take action on the proposal ~~and respond in writing within 30 days after receipt of the proposal by the issuing public corporation, setting forth its decision regarding the proposal. Unless the committee responds affirmatively in writing within 45 days after receipt of the proposal by the issuing public corporation, or a shorter period, if any, as may be required by the Securities Exchange Act of 1934 or rules and regulations under that act, the committee shall be considered to have disapproved the share acquisition.~~

(d)(1) When a business combination or acquisition of shares is proposed pursuant to this subdivision, the board shall promptly form a committee composed of all of the board's disinterested directors. The committee shall take action on the proposal by the affirmative vote of a majority of committee members. No larger proportion or number of votes shall be required. Notwithstanding the provisions of section 302A.241, subdivision 1, the committee shall not be subject to any direction or control by the board with respect to the committee's consideration of, or any action concerning, a business combination or acquisition of shares pursuant to this section.

(2) A committee formed pursuant to this subdivision shall be composed of one or more members. Only disinterested directors may be members of a committee formed pursuant to this subdivision. However, if the board has no disinterested directors, the board shall select three or more disinterested persons to be committee members. *Committee members are deemed to be directors for purposes of sections 302A.251, 302A.255, and 302A.521.*

(3) For purposes of this subdivision, a director or person is "disinterested" if the director or person is ~~not a present or former officer or employee~~ *neither an officer nor an employee, nor has been an officer or employee within five years preceding the formation of the committee pursuant to this section,* of the issuing public corporation, or of a related corporation.

Sec. 18. Minnesota Statutes 1987 Supplement, section 302A.673, subdivision 3, is amended to read:

Subd. 3. [APPLICATION.] (a) Unless by express provision electing to be subject to this section contained in the articles or in bylaws approved by the shareholders of an issuing public corporation, this section does not apply to any business combination of an issuing public corporation, that is not, at any time during the period from the effective date of this section until adoption of the article or bylaw provision, a publicly held corporation. If the article or bylaw provision electing to be subject to this section expressly so provides, this section shall not apply to any business combination with an interested shareholder whose share acquisition date is before the effective date of the article or bylaw provision.

(b) *Except as provided in paragraph (c)*, this section does not apply to any business combination of an issuing public corporation:

(1) if ~~the original~~, *prior to the time the issuing public corporation becomes a publicly held corporation or becomes subject to this section by virtue of an election under paragraph (a), including any time prior to the time that the corporation becomes an issuing public corporation*, articles or bylaws of the issuing public corporation contain a provision expressly electing not to be subject to this section;

(2) if the board of the issuing public corporation adopts, prior to September 1, 1987, an amendment to the issuing public corporation's bylaws expressly electing not to be subject to this section;

(3) if an amendment to the articles or bylaws of the issuing public corporation is approved by the shareholders, other than interested shareholders and their affiliates and associates, holding a majority of the outstanding voting power of all shares entitled to vote, excluding the shares of interested shareholders and their affiliates and associates, expressly electing not to be subject to this section and ~~such~~ *the* amendment provides that it is not to be effective until 18 months after the vote of shareholders, ~~or August 1, 1989, whichever date is earlier~~, and provides that, except as provided in paragraph ~~(d)~~ *(c)*, it does not apply to any business combination of the issuing public corporation with an interested shareholder whose share acquisition date is on or before the effective date of the amendment; or

(4) if the business combination was consummated before, or if a binding agreement for the business combination was entered into before, the day following final enactment of this section.

~~(c) This section does not apply to any business combination of an issuing public corporation with an interested shareholder of the issuing public corporation who became an interested shareholder inadvertently, if the interested shareholder:~~

~~(1) as soon as practicable, divests itself of a sufficient amount of the shares entitled to vote of the issuing public corporation so that it no longer is the beneficial owner, directly or indirectly, of ten percent or more of the outstanding shares entitled to vote of the issuing public corporation; and~~

~~(2) would not at any time within the five-year period preceding the announcement date with respect to the business combination have been an interested shareholder but for the inadvertent acquisition.~~

~~(d) (c) This section does not apply to any business combination of an~~

issuing public corporation with an interested shareholder that was the beneficial owner, directly or indirectly, of ten percent or more of the outstanding shares entitled to vote of the issuing public corporation on June 1, 1987 respect to, proposed by or on behalf of, or pursuant to any written or oral agreement, arrangement, relationship, understanding, or otherwise with any person that would have been an interested shareholder on June 1, 1987, had this section been in effect on this date.

(e) Unless the articles or bylaws approved by the shareholders of the issuing public corporation otherwise provide, this section does not apply to any business combination of an issuing public corporation with, with respect to, proposed by or on behalf of, or pursuant to any agreement, arrangement, or understanding (whether or not in writing) with, any interested shareholder if the interested shareholder's share acquisition date is on or after August 1, 1989, or an affiliate or associate of that interested shareholder.

This section applies to any business combination of an issuing public corporation to which it previously did not apply because of provisions in articles or bylaws adopted or approved under paragraph (b), clause (1), (2), or (3), upon an amendment to the articles or bylaws approved by shareholders holding a majority of the outstanding voting power of all shares entitled to vote expressly electing to be subject to this section becoming effective. This section does not apply to any business combination of the corporation with, with respect to, proposed by or on behalf of, or pursuant to any written or oral agreement, arrangement, relationship, understanding, or otherwise with any person that would have been an interested shareholder on the effective date of the amendment if this section had been applicable.

Sec. 19. [REPEALER.]

Minnesota Statutes 1987 Supplement, section 302A.673, subdivision 2, is repealed."

Delete the title and insert:

"A bill for an act relating to corporations; making certain corrections to shareholder protection and corporate take-over legislation; eliminating restrictions on certain business combinations with an interested shareholder after five years; applying the control share acquisition and business combination statutes to certain issuing public corporations; amending Minnesota Statutes 1986, section 80B.03, subdivisions 1 and 6; Minnesota Statutes 1987 Supplement, sections 302A.011, subdivisions 37, 41, 42, 46, 49, 50, and 51; 302A.471, subdivision 1; 302A.553, subdivision 3; 302A.671, subdivisions 1, 2, 3, 4, and 4a; and 302A.673, subdivisions 1 and 3; repealing Minnesota Statutes 1987 Supplement, section 302A.673, subdivision 2."

And when so amended the bill do pass. Mr. Luther questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Mr. Davis from the Committee on Agriculture, to which was referred

S.F. No. 1837: A bill for an act relating to agriculture; appropriating money for enforcement of the organic food law.

Reports the same back with the recommendation that the bill be amended

as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

PREFERENCE FOR MINNESOTA AGRICULTURAL PRODUCTS

Section 1. [16B.103] [PREFERENCE FOR AGRICULTURAL FOOD PRODUCTS GROWN IN STATE.]

Subdivision 1. [PREFERENCE IN STATE CONTRACTS.] The commissioner must require that state contracts by an agency for purchase of food products or food service contracts provide that the supplier make a reasonable attempt to identify and purchase food products that are grown in this state.

Subd. 2. [PREFERENCE FOR SUPPLIERS.] Agencies must give preference to the lowest responsible bidders for contracts that provide food products grown in this state over bidders that provide food products grown and raised outside of this state.

Subd. 3. [REPORT.] The commissioner shall prepare a report at the end of each biennium and submit it to the committees on agriculture in the house of representatives and senate on the total food products purchased or contracted for by agencies and the amounts of fruits, vegetables, grains, meats, poultry, and other food products purchased or contracted for that are grown in this state.

Sec. 2. [REPORT.]

The commissioner of agriculture shall investigate the use of agricultural products to discern the opportunity for expansion of market share by agricultural producers in the state. This investigation shall include franchised food chain and restaurant establishments selling prepared food in this state. The commissioner must submit a report of the investigation to the house of representatives and senate agriculture committees by January 31, 1989.

Sec. 3. [EFFECTIVE DATE.]

This article is effective the day following final enactment. Section 1 applies to contracts entered into by the state after June 30, 1988.

ARTICLE 2

EXTENSION SAFETY PROGRAM SPECIALIST

Section 1. [POSITION ESTABLISHED; RESPONSIBILITIES.]

Subdivision 1. [EXTENSION SAFETY PROGRAM SPECIALIST.] There is established in the Minnesota extension service a permanent position of extension safety program specialist.

Subd. 2. [INITIAL RESPONSIBILITIES; REPORT.] (a) During fiscal years 1989 and 1990, the position of extension safety program specialist in the Minnesota extension service shall give priority to the following:

(1) assessment of the availability of high quality farm safety education and training materials and programs, and identification of any barriers to increasingly widespread acceptance and utilization of these materials and programs;

(2) design, coordination, conduct, and interpretation of statewide rural health and safety studies;

(3) evaluation of the concept of voluntary farm safety audits, and the possibility that those audits might be linked to an appropriate recognition or reward system including reduced insurance premiums for farmsteads that achieve a particularly good safety rating;

(4) development of joint educational programs and effective working relationships among the Minnesota agencies and organizations having rural health and safety concerns; and

(5) development of effective working relationships and information sharing arrangements with agencies and organizations in other states of the upper midwest that have rural health and safety concerns.

(b) The director of the Minnesota extension service must report to the house of representatives and senate agriculture committees on the findings and recommendations of the extension safety program specialist not later than March 1, 1989.

Subd. 3. [ONGOING RESPONSIBILITIES.] The position of extension safety program specialist in the Minnesota extension service has the following ongoing responsibilities and oversight authorities:

(1) assume leadership and serve as a resource person in the development of programs related to accident prevention and emergency preparedness;

(2) coordinate the preparation of educational materials related to accident prevention and emergency preparedness;

(3) design and conduct studies of rural and farm safety, as appropriate;

(4) develop and implement educational programs that will enable rural people to understand and comply with safety standards;

(5) maintain cooperation and effective working relationships with health and safety agencies and organizations in Minnesota, other states, and the United States government; and

(6) seek and efficiently utilize grant money made available by appropriate funds for programs relating to rural and farm safety.

Subd. 4. [POSITION FUNDING.] Money for support of the extension safety program specialist position in the Minnesota extension service may be accepted from the following sources:

(1) legislative appropriations from the general fund;

(2) funds from other sources within the extension service to the extent not precluded by other law; and

(3) gifts or grants from individuals, organizations, governmental units, foundations, corporations, or other sources except that no restrictions shall be placed by the giver with respect to the functions of the person holding the position or the duties and responsibilities of the position.

ARTICLE 3

DAIRY TASK FORCE

Section 1. [32.025] [MINNESOTA DAIRY TASK FORCE.]

Subdivision 1. [ESTABLISHMENT.] The Minnesota dairy task force is established consisting of:

(1) the commissioner of agriculture or the commissioner's designee;

(2) two members representing statewide farm organizations appointed by the commissioner of agriculture;

(3) one member representing a dairy producer's organization appointed by the commissioner of agriculture;

(4) a representative from the University of Minnesota designated by the dean of the college of agriculture;

(5) two milk producers appointed by the governor; and

(6) two dairy processors appointed by the governor.

Subd. 2. [OBJECTIVES.] The objectives of the Minnesota dairy task force are to:

(1) increase production efficiency of dairy cow herds;

(2) reduce input costs of production;

(3) increase profitability of individual dairy farms; and

(4) establish long-range goals, objectives, and time line achievement strategies for the dairy industry.

Subd. 3. [DUTIES.] The Minnesota dairy task force shall by June 1, 1989:

(1) gather existing information on increasing milk production efficiency of dairy cow herds, reducing input costs, and increasing profitability of dairy farms;

(2) establish a mechanism to disseminate gathered information to dairy farmers in a practical form;

(3) examine computerized analysis of dairy records and the available software, and recommend practical alternatives for dairy farmers to use computerized analysis;

(4) develop a preliminary draft of long-range goals, objectives, and time line achievement strategies for the dairy industry;

(5) study alternatives for component pricing of milk; and

(6) recommend legislation needed to accomplish the objectives and goals in subdivision 2.

Subd. 4. [PILOT PROJECTS.] The Minnesota dairy task force shall develop pilot projects of general application on dairy farms to demonstrate methods of increasing profitability of dairy farms.

Sec. 2. [REPORT.]

The Minnesota dairy task force shall prepare and submit a report on its activities, accomplishments, and recommendations to the agriculture committees of the senate and house of representatives by February 1, 1989.

Sec. 3. [REPEALER.]

Section 1 is repealed effective June 30, 1990.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 and 2 are effective July 1, 1988.

ARTICLE 4

DEPARTMENT OF AGRICULTURE AND FOOD

Section 1. Minnesota Statutes 1986, section 17.01, is amended to read:

17.01 [~~CREATION OF DEPARTMENT; COMMISSIONER; DEPUTY OF AGRICULTURE AND FOOD.~~]

Subdivision 1. [~~ESTABLISHMENT.~~] ~~There is created a~~ The department of agriculture, ~~which shall be in the charge of a~~ and food is established.

Subd. 2. [~~COMMISSIONER.~~] (a) The governor shall appoint a commissioner of agriculture, ~~in this chapter called the commissioner, who shall be appointed by the governor and food~~ under the provisions of section 15.06. Before ~~entering upon the commissioner assumes~~ the duties of office, the commissioner shall take the oath required of state officials. ~~The commissioner may appoint a deputy commissioner.~~

(b) The commissioner of agriculture and food is in charge of the department of agriculture and food.

(c) The term "commissioner" in this chapter means the commissioner of agriculture and food.

Subd. 3. [~~DEPUTY COMMISSIONER.~~] (a) The commissioner of agriculture and food may appoint a deputy commissioner of agriculture and food.

(b) The commissioner of agriculture and food may designate the deputy commissioner to act in the commissioner's behalf as a member, with all the commissioner's rights and privileges, of a board, committee, or commission that the commissioner is a member of by law. The designation must be filed with the secretary of state.

(c) The term "deputy commissioner" in this chapter means the deputy commissioner of agriculture and food.

Sec. 2. [INSTRUCTION TO THE REVISOR.]

In the next edition of Minnesota Statutes the revisor of statutes shall:

(1) change the words, "commissioner of agriculture," "department of agriculture," or "deputy commissioner of agriculture" to "commissioner of agriculture and food," "department of agriculture and food," and "deputy commissioner of agriculture and food," respectively; and

(2) change the reference "sections 17.111 to 17.729" to "sections 17.111 to 17.73."

Sec. 3. [REPEALER.]

Minnesota Statutes 1986, section 17.013, is repealed.

Sec. 4. [EFFECTIVE DATE.]

This article is effective the day following final enactment.

ARTICLE 5

MINNESOTA GROWN LABEL

Section 1. Minnesota Statutes 1987 Supplement, section 17.102, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT AND USE OF LABEL.] (a) The

commissioner shall establish a "Minnesota grown" logo or labeling statement for use in identifying agricultural products that are grown, processed, or manufactured in this state. *The commissioner may develop labeling statements that apply to specific marketing or promotional needs. One version of a labeling statement must identify food products certified as organically grown in this state.* The Minnesota grown logo or labeling statement may be used on raw agricultural products ~~that are not processed into a different physical form or frozen~~, only if 80 percent or more of the agricultural product is produced in this state.

(b) The Minnesota grown logo or labeling statement may not be used without a license from the commissioner except that wholesalers and retailers may use the Minnesota grown logo and labeling statement for displaying and advertising products that qualify for use of the Minnesota grown logo or labeling statement.

Sec. 2. [EFFECTIVE DATE.]

This article is effective the day following final enactment.

ARTICLE 6

SOIL TEST LABORATORY CERTIFICATION

Section 1. [17.73] [SOIL TESTING LABORATORY CERTIFICATION.]

Subdivision 1. [PROGRAM ESTABLISHMENT.] The commissioner shall establish a program to certify the accuracy of analyses from soil testing laboratories and promote standardization of soil testing procedures and analytical results.

Subd. 2. [CHECK SAMPLE SYSTEM.] (a) The commissioner shall institute a system of check samples that requires a laboratory to be certified to analyze at least four multiple soil check samples during the calendar year. The samples must be supplied by the commissioner or by a person under contract with the commissioner to prepare and distribute the samples.

(b) Within 30 days after the laboratory receives check samples, the laboratory must report to the commissioner the results of the analyses for all requested elements or compounds or for the elements or compounds the laboratory makes an analytical determination of as a service to others.

(c) The commissioner must compile analytical data submitted by laboratories and provide laboratories submitting samples with a copy of the data without laboratory names or code numbers.

(d) The commissioner may conduct check samples on laboratories that are not certified.

Subd. 3. [ANALYSES REPORTING STANDARDS.] The results obtained from soil or plant analysis must be reported in accordance with standard reporting units established by the commissioner by rule. The standard reporting units must conform as far as practical to uniform standards that are adopted on a regional or national basis.

If a certified laboratory offers a recommendation, the University of Minnesota college of agriculture recommendation must be offered in addition to other recommendations, if any. If relative levels are presented to classify the analytical results, the corresponding relative levels based on the analysis as designated by the University of Minnesota college of agriculture must also be presented.

Subd. 4. [REVOCAION OF CERTIFICATION.] If the commissioner determines that analysis being performed by a laboratory is inaccurate as evidenced by check sample results, the commissioner may deny, suspend, or revoke certification.

Subd. 5. [CERTIFICATION FEES.] (a) A laboratory applying for certification must pay an application fee of \$100 and a certification fee of \$100 before the certification is issued.

(b) Certification is valid for one year and the renewal fee is \$100. The commissioner shall charge an additional application fee of \$100 if a certified laboratory allows certification to lapse before applying for renewed certification.

(c) The commissioner must notify a certified lab that its certification lapses within 30 to 60 days of the date when the certification lapses.

(d) Fees collected under this subdivision must be deposited in the state treasury and credited to a soil testing laboratory certification account. The money in the account is annually appropriated to the commissioner to administer this section.

Subd. 6. [RULES.] The commissioner shall adopt rules for the establishment of minimum standards for laboratories, equipment, procedures, and personnel used in soil analysis and rules necessary to administer and enforce this section. The commissioner must consult with representatives of the fertilizer industry, representatives of the laboratories doing business in this state, and with the University of Minnesota college of agriculture before proposing rules.

Sec. 2. [EFFECTIVE DATE.]

This article is effective the day following final enactment.

ARTICLE 7

GRAIN STANDARDS TESTING

Section 1. Minnesota Statutes 1986, section 17B.02, is amended to read:
17B.02 [DEFINITIONS.]

Subdivision 1. [SCOPE.] As used in sections 17B.01 to 17B.29, the terms defined in this section have the meanings given them.

Subd. 2. [DEPARTMENT.] "Department" means the Minnesota department of agriculture.

Subd. 3. [COMMISSIONER.] "Commissioner" means the commissioner of agriculture or the commissioner's authorized representative.

Subd. 3a. [DISCOUNT.] "Discount" means an offer or purchase price for grain that is lower than the base or standard price offered by a buyer at a certain time and at a specified location. A discount price represents the lower than normal value of the grain because of inferior quality as determined by measurement of grade, dockage, test weight, moisture content, protein content, or other factors.

Subd. 3b. [INDEX MOISTURE LEVEL.] "Index moisture level" means the percentage moisture content for each grain that is used in establishing base or standard prices for the grain as determined by the commissioner.

Subd. 4. [PERSON.] "Person" means any individual, firm, copartnership, cooperative, company, association, and corporation, or their lessees, trustees, or receivers.

Subd. 5. [PREMIUM.] "Premium" means an offer or a purchase price for grain that exceeds the base or standard price offered by a buyer at a certain time and at a specified location. A premium price represents the higher than normal value of the grain because of superior quality as determined by measurement of grade, dockage, moisture content, test weight, protein content, or other factors.

Subd. 6. [TEST EQUIPMENT.] "Test equipment" means the mechanical and electronic devices commonly used in measurement of grain qualities including protein content, moisture content, and test weight.

Subd. 7. [TEST EQUIPMENT OPERATOR.] "Test equipment operator" means a person assigned by the management of an elevator or grain storage facility who is chiefly responsible for the preparation and analysis of grain samples for protein content, test weight, moisture content, and other qualities upon which price is determined.

Sec. 2. [17B.041] [COMMISSIONER TO REVIEW ACCURACY OF TEST EQUIPMENT AND TEST EQUIPMENT OPERATORS.]

Subdivision 1. [PERIODIC REVIEW.] The commissioner shall establish a program for the periodic grain testing review of protein analysis, test weight, and moisture test equipment, and test equipment operators. A review must consist of the performance of routine tests and analysis by the principal operator of the test equipment. A review under this section must be based on the results of on-site analysis performed on one or more samples of grain by the principal operator of the appropriate test equipment.

Subd. 2. [POSTING OF REVIEW FINDINGS.] Personnel of the department who perform a review of test equipment and test equipment operators under subdivision 1 must post a dated and signed statement indicating the conclusions of the review in a conspicuous location in the place of business where grain testing is conducted. The statement must be on a form provided by the commissioner and include in prominent wording a caution to the effect that the results at the time of a review by department personnel do not necessarily indicate either accuracy or inaccuracy in the test equipment or procedures at other times. The statement must remain on display until a subsequent review has been made.

Subd. 3. [FOLLOW-UP REVIEW UPON REQUEST.] The commissioner shall arrange for a follow-up review within seven business days of a periodic review if a follow-up review is requested by the test equipment operator.

Subd. 4. [REQUEST FOR COMMISSIONER TO SCHEDULE A REVIEW.] A purchaser or seller of grain may request the commissioner to perform a review of the test equipment and test equipment operator that is used to test the grain. A signed request must be submitted to the commissioner and upon receipt of a request, the commissioner shall schedule a review at a reasonable time considering other duties and responsibilities of the department personnel.

Subd. 5. [STATE NOT LIABLE.] The state is not liable to a seller or purchaser of grain for losses resulting from erroneous tests or analysis by test equipment or test equipment operators, whether reviewed by the department or not, if the commissioner and the department have exercised due

care in the scheduling and conduct of reviews under subdivisions 1 and 3.

Sec. 3. [17B.045] [PREMIUMS BASED ON TEST WEIGHT MUST EQUAL OR EXCEED DISCOUNTS.]

A purchaser of grain who provides a discount for grain that falls below the standard test weight for that grain shall offer an equal or greater premium for grain that has a test weight higher than the standard test weight.

Sec. 4. [17B.047] [PREMIUMS BASED ON MOISTURE CONTENT.]

Subdivision 1. [COMMISSIONER TO ESTABLISH INDEX MOISTURE LEVELS.] The commissioner shall establish an index moisture level for each grain commonly bought and sold in this state by rule. The commissioner may take into consideration factors such as moisture level variations appropriate to different locations within the state, variations in the keeping qualities of grains at different seasons of the year, and other appropriate factors.

Subd. 2. [PREMIUMS GENERALLY EQUAL TO OR GREATER THAN DISCOUNTS.] A purchaser of grain who provides a discount for grain based on tested moisture content higher than the index moisture level shall provide an equal or greater premium for grain that tests at a moisture content within the next three percentage points below the index moisture level. If the moisture content in a valid sample of the purchased grain is more than three percentage points below the index moisture level, the premium offered need not be further tied to an equivalent discount provided for grain that tests higher than the index moisture level.

Sec. 5. [17B.048] [SELLER OPTION TO AVERAGE LOADS.]

A purchaser of grain must allow a seller who delivers grain in multiple loads within a period of seven consecutive calendar days, at the option of the seller, to average the measurements from the multiple loads with respect to test weight, moisture content, and protein analysis.

Sec. 6. [EFFECTIVE DATE.]

Sections 3, 4, and 5 apply to purchases of grain occurring on or after July 1, 1989.

ARTICLE 8

INDUSTRIAL LIME FOR SOIL BUFFERING

Section 1. [17.7241] [DEFINITIONS.]

Subdivision 1. [SCOPE.] The definitions in this section apply to sections 1 to 6.

Subd. 2. [COMMISSIONER.] "Commissioner" means the commissioner of agriculture.

Subd. 3. [INDUSTRIAL BY-PRODUCT SOIL BUFFERING MATERIAL.] "Industrial by-product soil buffering material" means an industrial waste or by-product or the by-product of municipal water treatment processes containing calcium or magnesium or both in a form that may neutralize soil acidity.

Subd. 4. [LIMESTONE.] "Limestone" means a material consisting essentially of calcium carbonate or a combination of calcium carbonate with magnesium carbonate capable of neutralizing soil acidity.

Subd. 5. [SOIL BUFFERING MATERIALS.] "Soil buffering materials" means materials whose calcium or magnesium or both are capable of neutralizing soil acidity.

Subd. 6. [STOCKPILE.] "Stockpile" means a supply of agricultural soil buffering material stored for future use.

Subd. 7. [TNP.] "TNP" means total neutralizing power and is the number of pounds of neutralizing value in one ton of a soil buffering material.

Sec. 2. [17.7242] [SOIL BUFFERING DEMONSTRATION PROJECT AND STUDY.]

Subdivision 1. [PURPOSE.] The purpose of the demonstration project required under sections 1 to 6 is to identify appropriate and mutually beneficial methods for the utilization of industrial by-product soil buffering materials. Proper utilization will minimize current waste disposal problems, provide a market for an underutilized resource, and make available to farmers an effective, low-cost soil buffering product.

Subd. 2. [AUTHORITY.] The commissioner must coordinate the design and implementation of a demonstration project to examine the technical feasibility, economic benefits, and environmental impacts of utilizing industrial by-product soil buffering materials as a substitute for limestone and other traditional soil buffering materials.

Subd. 3. [PROCEDURES DEVELOPED.] The demonstration project will identify and recommend as proposed standards appropriate procedures for the sampling, analysis, TNP labeling storage, stockpiling, transportation, and application of industrial by-product soil buffering materials. After TNP labeling standards have been established, which shall be no later than March 1, 1989, they shall be provided to the landowner or tenant prior to land application or stockpiling.

Subd. 4. [SCOPE.] The demonstration project must be on a scale deemed by the commissioner to be efficient and manageable while providing the greatest practicable utilization of industrial by-product soil buffering materials for agricultural purposes.

Sec. 3. [17.7423] [RESPONSIBILITIES OF THE COMMISSIONER.]

Subdivision 1. [BROAD PARTICIPATION.] The commissioner shall seek participation in the demonstration project by other persons, institutions, and organizations having an interest in soil buffering materials and industrial by-product soil buffering materials including the pollution control agency, one or more counties, one or more soil and water conservation districts, and the University of Minnesota.

Subd. 2. [PUBLIC EDUCATION.] The commissioner shall seek to maximize the public education benefit of the demonstration program.

Sec. 4. [17.7424] [ENVIRONMENTAL CONTROLS.]

Subdivision 1. [SAMPLING; ANALYSIS.] The commissioner and the commissioner's agents may sample, inspect, make analysis of, and test industrial by-product soil buffering materials used in the demonstration project and study at a time and place and to an extent the commissioner considers necessary to determine whether the agricultural soil buffering materials are suitable for the project. The commissioner and the commissioner's agents may enter public or private premises where demonstration projects are being conducted in order to have access to:

- (1) soil buffering materials used in the demonstration project;
- (2) sampling of sites actually or reportedly exposed to agricultural soil buffering materials;
- (3) inspection of storage, handling, transportation, use, or disposal areas of industrial by-product soil buffering materials;
- (4) inspection or investigation of complaints of injury to humans, wild-life, domesticated animals, crops, or the environment;
- (5) observation of the use and application of the soil buffering material;
- (6) inspection of records related to the production, transportation, stock-piling, use, or disposal of industrial by-product soil buffering material; and
- (7) other purposes necessary to implement sections 1 to 6.

Subd. 2. [RECEIPT FOR INSPECTION SAMPLES; REPORT ON ANALYSES.] Before leaving inspected premises, the commissioner shall provide the owner, operator, or agent in charge with a receipt describing any samples obtained. If an analysis is made of the samples, a copy of the results of the analysis must be furnished to the owner, operator, or agent in charge.

Subd. 3. [EMERGENCY INSPECTION.] The commissioner and the commissioner's agents may enter public or private property without a notice of inspection if a suspected incident involving industrial by-product soil buffering materials may threaten public health or the environment.

Sec. 5. [17.7425] [REPORT.]

The commissioner shall report to the house of representatives and senate committees on agriculture, by March 1, 1989, and on March 1 of each year afterwards, about the activities, findings, and recommendations related to the demonstration project.

Sec. 6. [REPEALER.]

Sections 1 to 5 are repealed June 30, 1991.

Sec. 7. [EFFECTIVE DATE.]

This article is effective the day following final enactment.

ARTICLE 9

SOYBEAN OIL INK

Section 1. [SOYBEAN OIL INK STUDY.]

The commissioner of administration shall study the feasibility of using ink with a soybean oil base for printing done by the commissioner, by other state agencies, and by private vendors under contract to agencies in all branches of state government. The study must include the cost implications to the state of using ink with a soybean oil base, the types of printing jobs that can and cannot be done effectively with this ink, and any transitional steps the state would have to take to implement the use of ink with a soybean oil base. The commissioner shall report the results of the study to the legislature by January 15, 1989.

ARTICLE 10

ORGANIC CERTIFICATION

Section 1. [31.95] [ORGANIC CERTIFICATION.]

Subdivision 1. [DESIGNATION.] The commissioner shall designate one or more organizations, located in this state, made up of organic food growers, manufacturers, or sellers to certify organically grown seeds, products, and food.

Subd. 2. [FEES.] The commissioner shall prescribe fees to be charged to persons for certification of organically grown seeds, production, and food under section 16A.128. By 1991, fees collected shall reflect the total annual cost of certification.

Subd. 3. [CERTIFICATION REQUIREMENT.] An organic certification agency may not refuse services or certification to a person:

(1) whose seeds, production, and food meet certification requirements; and

(2) who has paid membership dues and certification fees.

Subd. 4. [RULES.] The organic certification organization may draft rules for submission to the commissioner to adopt for implementation of the organically grown certification program.

ARTICLE 11

OIL OVERCHARGE FUNDS

Section 1. [ALLOCATION BY LAW.]

Notwithstanding other law, money received by the state as a result of litigation or settlement of the alleged violations of federal pricing regulations may not be spent unless specifically appropriated by law.

ARTICLE 12

CROP HAIL INSURANCE RATE FILING

Section 1. [60A.32] [RATE FILING FOR CROP HAIL INSURANCE.]

An insurer issuing policies of insurance against crop damage by hail in this state must file their insurance rates with the commissioner. The insurance rates must be filed before March 1 of the year in which a policy is issued.

ARTICLE 13

RURAL FINANCE AUTHORITY

Section 1. Minnesota Statutes 1987 Supplement, section 41B.01, subdivision 2, is amended to read:

Subd. 2. [PURPOSE.] Sections 41B.01 to 41B.23 create and establish the Minnesota rural finance authority and establish a program under which state bonds are authorized to be issued and proceeds of their sale are appropriated under the authority of article XI, section 5, clause (h) of the Minnesota Constitution, to develop the state's agricultural resources by extending credit on real estate security. The purpose of the rural finance authority's programs and of the bonds issued to finance or provide security for the programs is to purchase participation interests in loans, including

seller-sponsored loans to be made available by agricultural lenders to farmers on terms and conditions not otherwise available from other credit sources. It is hereby found and declared that there presently exist in the state economic conditions which have severely adversely affected the economic viability of farms to the detriment of the rural economy and to the detriment of the economy of the state of Minnesota as a whole. It is further found and declared that as a result of public agricultural policies, agricultural market conditions, and other causes, the condition of the farm economy of the state of Minnesota is such as to jeopardize the continued existence and successful operation of farms in this state, necessitating the establishment of the programs in sections 41B.01 to 41B.23 to provide new sources of credit on favorable terms and conditions. It is further found and declared that providing credit for farmers on favorable terms and conditions will serve and promote the public welfare by assuring the viability of farm operations, by preventing erosion of the tax base in rural areas, by reducing foreclosures on farm property, and by enhancing the financial stability of farmers and of the businesses which depend on farmers as customers. It is further found and declared that in establishing a Minnesota rural finance authority and in authorizing the programs in sections 41B.01 to 41B.23, the legislature is acting in all respects for the benefit of the people of the state of Minnesota to serve the public purpose of improving and otherwise promoting their health, welfare, and prosperity and that the Minnesota rural finance authority, as created and established, is empowered to act on behalf of the people of the state of Minnesota in serving this public purpose for the benefit of the general public.

Sec. 2. Minnesota Statutes 1986, section 41B.02, is amended by adding a subdivision to read:

Subd. 18. [SELLER-SPONSORED LOAN.] "Seller-sponsored loan" means a loan in which part or all of the price of a farm is financed by a loan from the seller of the farm who is a natural person, a partnership, or a family farm corporation as defined in section 500.24, located in Minnesota. The loan must be secured by a real estate mortgage evidenced by one or more notes that may carry different interest rates or by a contract for deed. The definition of a seller-sponsored loan under this subdivision does not include a loan between persons within the second degree of kindred according to common law.

Sec. 3. Minnesota Statutes 1987 Supplement, section 41B.03, subdivision 3, is amended to read:

Subd. 3. [BEGINNING FARMER LOANS.] In addition to the requirements under subdivision 1, a prospective borrower for a beginning farm loan, including a seller-sponsored loan, in which the authority holds an interest, must:

(1) have sufficient education, training, or experience in the type of farming for which the loan is desired;

(2) have a total net worth, including assets and liabilities of the borrower's spouse and dependents, of less than \$100,000 \$150,000;

(3) demonstrate a need for the loan;

(4) demonstrate an ability to repay the loan;

(5) demonstrate that the agricultural land to be purchased will be used by the borrower for agricultural purposes; and

(6) demonstrate that farming will be the principal occupation of the borrower.

Sec. 4. Minnesota Statutes 1987 Supplement, section 41B.039, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT.] The authority may establish, develop criteria, and implement a beginning farmer program. The program must assist persons entering farming who have not owned a farm before entering the beginning farmer program. *The program may include assistance for persons entering or reentering farming through the use of seller-sponsored loans.*

Sec. 5. Minnesota Statutes 1987 Supplement, section 41B.039, subdivision 2, is amended to read:

Subd. 2. [STATE PARTICIPATION.] The state may participate in a new real estate loan with an eligible lender to a beginning farmer to the extent of ~~one-fourth~~ 35 percent of the principal amount of the loan or \$25,000 \$50,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may be different than the interest rates and repayment terms of the lender's retained portion of the loan.

Sec. 6. Minnesota Statutes 1987 Supplement, section 41B.05, is amended to read:

41B.05 [GENERAL POWERS OF THE AUTHORITY.]

For the purpose of exercising the specific powers granted in section 41B.04 and effectuating the other purposes of sections 41B.01 to 41B.23 the authority has the general powers granted in this section.

- (a) It may sue and be sued.
- (b) It may have a seal and alter the seal.
- (c) It may make, and from time to time, amend and repeal rules consistent with sections 41B.01 to 41B.23.
- (d) It may acquire, hold, and dispose of *real or* personal property for its corporate purposes.
- (e) It may enter into agreements, contracts, or other transactions with any federal or state agency, any person and any domestic or foreign partnership, corporation, association, or organization, including contracts or agreements for administration and implementation of all or part of sections 41B.01 to 41B.23.
- (f) It may acquire real property, or an interest therein, in its own name, by purchase or foreclosure, where such acquisition is necessary or appropriate.
- (g) It may provide general technical services related to rural finance.
- (h) It may provide general consultative assistance services related to rural finance.
- (i) It may promote research and development in matters related to rural finance.
- (j) It may enter into agreements with lenders, borrowers, or the issuers of securities for the purpose of regulating the development and management of farms financed in whole or in part by the proceeds of qualified agricultural loans.

(k) It may enter into agreements with other appropriate federal, state, or local governmental units to foster rural finance. It may give advance reservations of loan financing as part of the agreements, with the understanding that the authority will only approve the loans pursuant to normal procedures, and may adopt special procedures designed to meet problems inherent in such programs.

(l) It may undertake and carry out studies and analyses of rural financing needs within the state and ways of meeting such needs including: data with respect to geographical distribution; farm size; the distribution of farm credit needs according to debt ratios and similar factors; the amount and quality of available financing and its distribution according to factors affecting rural financing needs and the meeting thereof; and may make the results of such studies and analyses available to the public and may engage in research and disseminate information on rural finance.

(m) It may survey and investigate the rural financing needs throughout the state and make recommendations to the governor and the legislature as to legislation and other measures necessary or advisable to alleviate any existing shortage in the state.

(n) It may establish cooperative relationships with such county and multicounty authorities as may be established and may develop priorities for the utilization of authority resources and assistance within a region in cooperation with county and multicounty authorities.

(o) It may contract with, use, or employ any federal, state, regional, or local public or private agency or organization, legal counsel, financial advisors, investment bankers or others, upon terms it deems necessary or desirable, to assist in the exercise of any of the powers granted in sections 41B.01 to 41B.23 and to carry out the objectives of sections 41B.01 to 41B.23 and may pay for the services from authority funds.

(p) It may establish cooperative relationships with counties to develop priorities for the use of authority resources and assistance within counties and to consider county plans and programs in the process of setting the priorities.

(q) It may delegate any of its powers to its officers or staff.

(r) It may enter into agreements with qualified agricultural lenders or others insuring or guaranteeing to the state the payment of all or a portion of qualified agricultural loans.

(s) It may enter into agreements with eligible agricultural lenders providing for advance reservations of purchases of participation interests in restructuring loans, if the agreements provide that the authority may only purchase participation interests in restructuring loans under the normal procedure. The authority may provide in an agreement for special procedures or requirements designed to meet specific conditions or requirements.

(t) It may allow farmers who are natural persons to combine programs of the federal Agriculture Credit Act of 1987 with programs of the rural finance authority.

ARTICLE 14

INTEREST RATE BUY-DOWN ADJUSTMENT

Section 1. [INTEREST RATE BUY-DOWN ADJUSTMENT.]

Subdivision 1. [ELIGIBILITY.] Notwithstanding Laws 1987, chapter 15, section 8, subdivision 2, the commissioner may consider a farmer an eligible buyer if the farmer has a loan balance with a lender under the Federal Guaranteed Operating Loan Program with the Interest Rate Buy-down Program administered by the FmHA between the dates January 1, 1987, and December 31, 1988, and complies with the remaining provisions of Laws 1987, chapter 15.

Subd. 2. [LATER MATURITY.] Notwithstanding Laws 1987, chapter 15, section 8, subdivision 3, the commissioner may consider a farm operating loan eligible for interest rate buy-down even though the maturity date is later than June 30, 1989, if the maturity date is later due to anticipation in the Federal Guaranteed Operating Loan Program Interest Rate Buy-down Program administered by the FmHA.

Subd. 3. [PAYMENT AFTER REQUEST.] Notwithstanding Laws 1987, chapter 15, section 4, subdivision 5, the commissioner may pay the last one-half of the interest rate buy-down amount within 30 days after request for final payment is received from the lender.

Sec. 2. [EFFECTIVE DATE.]

This article is effective the day following final enactment.

ARTICLE 15

EXTENSION OF DEADLINE FOR SEED POTATO STANDARDS

Section 1. Laws 1987, chapter 124, section 2, is amended to read:

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective for potatoes planted after January 1, ~~1989~~ 1990.

ARTICLE 16

AGRICULTURAL CONTRACT TASK FORCE

Section 1. [AGRICULTURAL CONTRACT TASK FORCE.]

The commissioner of agriculture shall form an advisory task force to determine the feasibility of changing existing programs or developing a new program to provide economic protection for farmers producing agricultural commodities under contract. The economic protection would be provided when businesses have filed bankruptcy and are unable to make payments under the contract or are otherwise financially unable to make payments under the contract.

The advisory task force membership must include farmers, canning processors, contract seed businesses, livestock and poultry contractors, other agricultural processors, farm organizations, and bonding and financial institutions.

The commissioner shall coordinate meetings of the advisory task force, provide staff support, and participate in the advisory task force meetings.

The commissioner shall prepare a report of recommendations of the task force including recommendations for the legislature. The report must be

presented to the chairs of the agriculture committees in the legislature by January 15, 1989.

ARTICLE 17

REPEALER

Section 1. [REPEALER.]

Subdivision 1. [SUSTAINABLE AGRICULTURE CHAIR CONTRIBUTION REPEALER.] Minnesota Laws 1987, chapter 396, article 12, section 6, subdivision 2, is repealed.

Subd. 2. [FAMILY FARM LEGAL ASSISTANCE PROGRAM NON-JUDICIAL FUNDING RESTRICTION REPEALER.] Minnesota Statutes 1986, section 480.250, subdivision 3, is repealed.

ARTICLE 18

Section 1. [AGRICULTURAL UTILIZATION RESEARCH INSTITUTE.]

\$3,500,000 is appropriated from the money allocated for a statewide applied research and technology transfer program to increase long-term energy cost effectiveness that was received by the state as a result of the settlement of the parties and order of the United States District Court for the District of Kansas in the case of In Re Department of Energy Stripper Well Exemption Litigation, 578 F.Supp. 586 (D.Kan. 1983) to the agricultural utilization research institute for grants to individuals and organizations for projects that promote sustainable agriculture. The grants may be made only for research or demonstration projects that foster development or public demonstration of agricultural practices which minimize the use of energy in production agriculture.

ARTICLE 19

APPROPRIATIONS

Section 1. [APPROPRIATION CANCELLATION.]

All money appropriated by Laws 1987, chapter 15, section 10, subdivision 1, clauses (a) and (b), for purposes of program "A" in 1987 and program "B" in 1987 and 1988 that remains unencumbered on July 1, 1988, and all money transferred to the interest rate buy-down program by Laws 1987, chapter 15, section 10, subdivision 4, is canceled and appropriated for the purposes of this article.

Sec. 2. [STATE AGRICULTURAL PRODUCT USE REPORT.]

\$35,000 is appropriated from the general fund to the commissioner of agriculture to contract for an investigation and report on the use of state agricultural products within the state and opportunities for expanded markets for state agricultural products within the state to be available until expended.

Sec. 3. [ORGANIC FOOD CERTIFICATION AND ENFORCEMENT.]

Subdivision 1. [START-UP CERTIFICATION COSTS.] \$100,000 is appropriated from the general fund to the commissioner of agriculture for transfer to an organic certification organization for start-up and initial administrative costs for the purpose of promoting and marketing "Minnesota grown" certified organic food products.

Subd. 2. [ENFORCEMENT COSTS.] \$50,000 is appropriated from the

general fund in the state treasury to the commissioner of agriculture for the fiscal year ending June 30, 1989, to administer and enforce the organic food law, Minnesota Statutes, sections 31.92 to 31.94.

Sec. 4. [BLUEGRASS SEED AND TURF PRODUCTION.]

\$35,000 is appropriated from the general fund to the commissioner of agriculture to be available until expended for a bluegrass seed and turf production program as follows:

(a) for contracting for personnel and labor costs related to bluegrass production over one year *\$20,000*

(b) for establishment and evaluation of sod varieties on mineral and peat soil, direct seeded turf varieties, and turf characteristics *\$15,000*

Sec. 5. [ALFALFA EXTRACTION PROCESS.]

\$300,000 is appropriated from the general fund to the commissioner of agriculture to be matched on a 2 to 1 basis with other funds, equipment, and services to establish a pilot plant for a protein xanthophyll alfalfa extraction process. The commissioner must contract to establish a pilot plant for the process and operations of the plant with the required testing for markets.

Sec. 6. [SWEET SORGHUM RESEARCH AND DEMONSTRATION.]

\$94,000 is appropriated from the general fund to the commissioner of agriculture to contract for sweet sorghum research and demonstration projects that provide information about the feasibility of growing sweet sorghum as a Minnesota crop.

Sec. 7. [SUSTAINABLE AGRICULTURE.]

Subdivision 1. [SUSTAINABLE AGRICULTURE CHAIR.] \$675,000 is appropriated from the general fund to the regents of the University of Minnesota to establish an endowment for a chair in sustainable agriculture. This appropriation is to be included in the nonstate sources of endowment under Minnesota Statutes, section 137.022, subdivision 3. This appropriation is not effective until the University of Minnesota and other private contributions and pledges provide the balance of the amount sufficient to establish the endowment for a chair in sustainable agriculture. This appropriation and the appropriation in Laws 1987, chapter 396, article 12, section 6, subdivision 1, cancel on June 30, 1992, if sufficient pledges and contributions have not been made.

Subd. 2. [CENTER FOR SUSTAINABLE AGRICULTURE.] \$150,000 is appropriated from the general fund to the regents of the University of Minnesota for a center for sustainable agriculture. This appropriation is not effective until the University of Minnesota obtains an outside commitment or reallocation for \$150,000. This appropriation cancels on June 30, 1992, if the reallocation or commitment has not been obtained.

Subd. 3. [EXTENSION PROGRAMS AND PUBLIC EDUCATION ON SUSTAINABLE AGRICULTURE.] \$25,000 is appropriated from the general fund to the regents of the University of Minnesota for extension programs and public education on sustainable agriculture. This appropriation

is not effective until the University of Minnesota obtains an outside commitment or reallocation of \$25,000. This appropriation cancels on June 30, 1992, if the reallocation or commitment has not been obtained.

Subd. 4. [REVOLVING LOAN FUND.] \$1,000,000 is appropriated from the general fund to the commissioner of agriculture to be credited to a revolving loan account, for low-interest loans to farmers to adopt sustainable agriculture practices. Money in the account does not cancel but is continuously appropriated to the commissioner of agriculture to make low-interest loans to farmers under this subdivision. Notwithstanding chapter 14, the commissioner shall prescribe procedures for application and implementation of the program.

Subd. 5. [DEMONSTRATION GRANT PROGRAM.] \$500,000 is appropriated from the general fund to the commissioner of agriculture to be available until June 30, 1989, for grants to farmers for demonstration projects involving sustainable agriculture. If a project cost is more than \$50,000, the amount above \$50,000 may be cost shared at a state-applicant ratio of 1 to 1. Priority must be given for projects involving multiple parties.

Sec. 8. [EXTENSION PROGRAM SAFETY SPECIALIST.]

\$75,000 is appropriated from the general fund to the Minnesota extension service for purposes of funding the extension safety program specialist position. This appropriation is for support of the position during fiscal year 1989. Any portion of this appropriation that remains unencumbered on July 1, 1989, does not cancel but remains available for support of the position in the subsequent biennium.

Sec. 9. [DAIRY TASK FORCE.]

\$30,000 is appropriated from the general fund to the commissioner of agriculture to be matched equally by private funds to pay for the expenses of the Minnesota dairy task force and pilot projects.

Sec. 10. [MINNESOTA GROWN.]

Subdivision 1. [MINNESOTA GROWN COUPONS TO WIC RECIPIENTS.] \$85,000 is appropriated from the general fund to the commissioner of agriculture for a pilot project of providing Minnesota grown coupons for women, infants, and children program recipients. This appropriation is available until June 30, 1989. The commissioner of agriculture may conduct a pilot project to give Minnesota grown coupons redeemable for food identified with a Minnesota grown logo or labeling statement at selected farmers' markets to women, infants, and children program recipients. The commissioner shall conduct an evaluation of the pilot project, prepare a report, and submit the report to the legislature by January 1, 1989.

Subd. 2. [MINNESOTA GROWN LABELING.] \$20,000 is appropriated from the general fund to the commissioner of agriculture to develop different versions of the labeling statement and adopt rules.

Sec. 11. [SOIL TESTING LABORATORY CERTIFICATION.]

\$15,000 is appropriated from the general fund to the commissioner of agriculture to implement and administer the soil testing laboratory certification program.

Sec. 12. [PLANT PEST SURVEY PROGRAM.]

\$248,500 is appropriated from the general fund to the commissioner of agriculture to survey and detect plant pests and disseminate information to farmers on making appropriate applications of pesticides and non-chemical controls to be available until expended.

The complement of the department of agriculture is increased by three full-time and six part-time positions to administer the plant pest survey and detection program.

The commissioner of agriculture shall prepare a report on plant pest survey and detection and submit it to the legislature by June 1, 1990.

Sec. 13. [GRAIN STANDARDS TESTING.]

\$387,000 is appropriated from the general fund to the commissioner of agriculture for purposes of providing periodic reviews of test equipment and test equipment operators. The complement of the department is increased by eight.

Sec. 14. [INDUSTRIAL LIME FOR SOIL BUFFERING.]

\$70,000 is appropriated from the general fund to the commissioner of agriculture for purposes of the demonstration project and study of industry by-product soil buffering materials. Of this amount, up to \$50,000 is available to the commissioner of agriculture for expenses of administering and coordinating the demonstration project. The balance of the appropriation may be used by the commissioner for material testing and analysis and other activities related to the demonstration project and performed by the University of Minnesota or other qualified participants or organizations. The appropriation is available until June 29, 1991.

Sec. 15. [AMARANTH PROCESSING FEASIBILITY.]

\$250,000 is appropriated to the commissioner of agriculture to be available until June 30, 1989, to be matched on a 1 to 3 basis by other funds for contracting for a study to design and investigate the feasibility of processing, marketing, and production of amaranth, and constructing an amaranth pilot processing plant. As part of the contract, a report must be prepared and submitted to the chairs of the agriculture committees of the legislature by December 1, 1989.

Sec. 16. [SOIL AND WATER STEWARDSHIP EDUCATION.]

\$80,000 is appropriated from the general fund to the legislative advisory commission, to be available until June 30, 1989, to make a grant to an organization to collect and disseminate materials on soil and water stewardship designated by the joint legislative committee on agricultural land preservation and soil and water conservation. The joint committee shall request bids for proposals to locate, collect, index, and organize materials on soil and water stewardship for dissemination to primary and secondary schools for use in curricula. The joint committee must designate an appropriate organization and review how existing requirements for environmental education are being met.

Sec. 17. [SOYBEAN OIL INK.]

\$2,500 is appropriated from the general fund to the commissioner of administration for the study of utilization of soybean oil ink to be matched by private funds or in-kind services or supplies.

Sec. 18. [FEDERAL FARM MEDIATION ALLOCATION.]

Subdivision 1. [MINNESOTA EXTENSION.] \$175,000 is appropriated from the money received from the federal government for state mediation programs to the regents of the University of Minnesota for the Minnesota extension service to use for mediation program administration.

Subd. 2. [SUPREME COURT.] \$125,000 is appropriated from money received from the federal government for state mediation programs to the supreme court administrator to contract with a legal service provider to provide legal support services for the Farmer-Lender Mediation Act.

Subd. 3. [COMMISSIONER OF AGRICULTURE.] \$200,000 is appropriated from money received by the federal government for state mediation programs to the commissioner of agriculture to be available as follows:

(a) for farm advocate programs \$100,000

(b) for resource centers \$100,000

Sec. 19. [ETHANOL STUDY FUNDING CANCELLATION.]

The unobligated balance of the appropriation in Laws 1987, chapter 390, section 3, is canceled. This section is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to agriculture; providing alternatives for meaningful long-term benefits to Minnesota agriculture; providing initiatives for farmers to utilize sustainable agriculture; developing agricultural practices that minimize the use of energy in production agriculture; establishing a preference in state contracting for Minnesota grown products under certain conditions; establishing an extension position of extension safety program specialist; establishing a Minnesota dairy task force; renaming the department of agriculture the department of agriculture and food; authorizing different versions of the Minnesota grown label; establishing a program to certify soil testing laboratories; prescribing standards and conditions for grain testings; authorizing a soil buffering demonstration project with industrial lime; authorizing a soybean oil ink study; authorizing designation of organic certification agencies; requiring crop hail insurance providers to file rates; authorizing the rural finance authority to implement a seller-sponsored loan programs; amending requirements of rural finance authority loan programs; adjusting interest rate buy-down program eligibility; extending deadline for seed potato standards; requiring federal stripper well money to be spent by law and appropriating money to the agriculture utilization institute; appropriating money; amending Minnesota Statutes 1986, sections 17.01; 17B.02; 41B.02, by adding a subdivision; Minnesota Statutes 1987 Supplement, sections 17.102, subdivision 1; 41B.01, subdivision 2; 41B.03, subdivision 3; 41B.039, subdivisions 1 and 2; 41B.05; Laws 1987, chapter 124, section 2; proposing coding for new law in Minnesota Statutes, chapters 16B; 17; 17B; 31; 32; and 60A; repealing Minnesota Statutes 1986, sections 17.013; 480.250, subdivision 3; and Laws 1987, chapter 396, article 12, section 6, subdivision 2."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

H.F. No. 1754: A bill for an act relating to crime victims; authorizing the crime victims reparations board to pay the costs of returning an abducted child home; authorizing the board to determine and award reparations and damage claims from proceeds of a commercial exploitation of a crime; permitting an offender's minor dependents to receive some proceeds of a commercial exploitation of a crime; clarifying certain duties of the crime victim ombudsman; prescribing penalties; amending Minnesota Statutes 1986, sections 611A.56; 611A.67; 611A.68, subdivisions 1, 4, 6, 8, and by adding subdivisions; and 611A.74, subdivision 3; and Minnesota Statutes 1987 Supplement, section 611A.52, subdivision 8; repealing Minnesota Statutes 1986, section 611A.68, subdivisions 2 and 5.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 18, insert:

"Section 1. Minnesota Statutes 1987 Supplement, section 270A.03, subdivision 2, is amended to read:

Subd. 2. "Claimant agency" means any state agency, as defined by section 14.02, subdivision 2, the regents of the University of Minnesota, any district court of the state, any county, any public agency responsible for child support enforcement, and any public agency responsible for the collection of court-ordered ~~criminal~~ restitution.

Sec. 2. Minnesota Statutes 1987 Supplement, section 270A.03, subdivision 8, is amended to read:

Subd. 8. "Restitution" means money due to ~~a crime~~ *the victim of a crime or a juvenile offense* under an order of restitution issued by a court under section 609.10, or 609.125 as part of a sentence or as a condition of probation, *or under an order entered by a court under section 260.185, subdivision 1, paragraph (e), following a finding of delinquency.*

Sec. 3. [611A.0315] [VICTIM NOTIFICATION; DOMESTIC ASSAULT.]

Subdivision 1. [NOTICE OF DECISION NOT TO PROSECUTE.] A prosecutor shall make every reasonable effort to notify a domestic assault victim that the prosecutor has decided to decline prosecution of the case or to dismiss the criminal charges filed against the defendant. Efforts to notify the victim should include, in order of priority: (1) contacting the victim or a person designated by the victim by telephone; and (2) contacting the victim by mail. If a suspect is still in custody, the notification attempt shall be made before the suspect is released from custody.

Subd. 2. [DEFINITIONS.] For the purposes of this section, the following terms have the meanings given them.

(a) "Assault" has the meaning given it in section 609.02, subdivision 10.

(b) "Domestic assault" means an assault committed by the actor against a family or household member.

(c) "Family or household member" has the meaning given it in section 518B.01, subdivision 2."

Page 5, lines 17 and 18, reinstate the stricken language and delete the new language and insert "or that would have been a felony if committed

in Minnesota, and includes an offense committed or attempted on an Indian reservation or other trust land."

Page 5, delete lines 19 to 22

Page 5, line 33, after "must" insert "comply with this section if the person enters into the contract during the ten years after the offender is convicted of a crime or found not guilty by reason of insanity. If an offender is imprisoned or committed to an institution following the conviction or finding of not guilty by reason of insanity, the ten-year period begins on the date of the offender's release. A person subject to this section must"

Page 6, line 29, delete "offender or the offender's representative" and insert "board"

Page 9, line 3, delete ", if any,"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "providing that revenue recapture provisions apply to restitution ordered in a juvenile delinquency proceeding; requiring prosecutors to attempt to notify domestic assault victims of decisions not to prosecute;"

Page 1, line 14, delete "section" and insert "sections 270A.03, subdivisions 2 and 8; and" and after the semicolon, insert "proposing coding for new law in Minnesota Statutes, chapter 611A;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

H.F. No. 1111: A bill for an act relating to crimes; providing that it is a prima facie case for reference for prosecution as an adult if a child is alleged to have committed an aggravated felony against the person as a member of an organized gang; making it a crime for an alleged or adjudicated juvenile delinquent who is 18 years old to escape from lawful custody; amending Minnesota Statutes 1986, sections 260.125, subdivision 3; and 609.485, subdivisions 2 and 4.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, lines 13 and 14, delete "gang" and after "members" insert "of the association"

Page 3, lines 21 and 22, delete the new language

Page 3, after line 21, insert:

"(2) Escapes while held in lawful custody of the commissioner of corrections on an allegation or adjudication of a delinquent act while 18 years of age;"

Page 3, line 23, strike "(2)" and insert "(3)"

Page 3, line 27, strike "(3)" and insert "(4)"

Page 3, line 30, strike "(4)" and insert "(5)"

Page 4, line 17, after "custody" insert "of the commissioner of corrections"

Page 4, line 18, before the comma, insert "while 18 years of age"

Page 5, after line 6, insert:

"Sec. 4. Minnesota Statutes 1986, section 636.07, is amended to read:
636.07 [CARE AND CUSTODY OF MINORS.]

Every sheriff or other person having charge of a minor under the age of 18 years, chargeable with any crime, shall provide a separate place of confinement for the minor, under no circumstances with grown-up prisoners. Every the minor while in confinement shall be provided with good reading matter, and relatives and friends likely to exert a good influence over the minor shall at all reasonable times be permitted to visit.

Sec. 5. Minnesota Statutes 1987 Supplement, section 641.14, is amended to read:

641.14 [JAILS; HOW KEPT; SEPARATION OF PRISONERS.]

The sheriff of each county shall have charge of the jail, and be is responsible for its the operation and condition of the jail. Male and female prisoners shall be kept in separate rooms. No minor under 18 years shall be kept in the same room with adult prisoners. No insane prisoner shall be kept in the same room with any other prisoner. No person awaiting trial shall be kept in a room with a person convicted of a crime. No person awaiting trial shall be kept in a room with another person awaiting trial unless consistent with the person's safety, health and welfare. So far as If construction of the jail will permit permits, and so far as the sheriff shall maintain strict separation of prisoners to the extent that separation is consistent with prisoners' security, safety, health, and welfare, strict separation of prisoners shall be maintained. The sheriff shall not keep in the same room or section of the jail:

(1) a minor under 18 years old and a prisoner who is 18 years old or older, unless the minor has been committed to the commissioner of corrections under section 609.105 or the minor has been referred for adult prosecution and the prosecuting authority has filed a notice of intent to prosecute the matter for which the minor is being held under section 260.125;

(2) an insane prisoner and another prisoner;

(3) a prisoner awaiting trial and a prisoner who has been convicted of a crime;

(4) a prisoner awaiting trial and another prisoner awaiting trial, unless consistent with the safety, health, and welfare of both; and

(5) a female prisoner and a male prisoner."

Page 5, line 8, delete "and 3" and insert ", 3, 4, and 5" and delete "1987" and insert "1988"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 8, after the semicolon, insert "providing for custody of minors;"

Page 1, line 9, delete "and"

Page 1, line 10, before the period, insert "; and 636.07; and Minnesota

Statutes 1987 Supplement, section 641.14”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Pehler from the Committee on Education, to which was referred

S.F. No. 2105: A bill for an act relating to education; authorizing the sale of college savings bonds; providing financial incentives for students to enroll at post-secondary institutions located in this state; creating an advisory task force; proposing coding for new law in Minnesota Statutes, chapter 16A.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [MARKETING STUDY OF A BRAINPOWER DEVELOPMENT BOND PROGRAM.]

The higher education coordinating board and commissioner of finance shall conduct a study of the market for brainpower development bonds, including the potential demand for the bonds, characteristics of the potential buyers, provisions that would make the bonds more attractive to individuals who are saving to pay higher education costs, and other factors relevant to developing a successful plan for selling and issuing the bonds. As a part of this study, a subscription list of potential buyers of the bonds may be compiled.”

Delete the title and insert:

“A bill for an act relating to education; authorizing a marketing study of a brainpower development bond program.”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 2098: A bill for an act relating to game and fish; removing crows from the unprotected list; authorizing a season on crow and raven; amending Minnesota Statutes 1986, sections 97A.015, subdivision 52; and 97B.711, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1986, section 97A.015, subdivision 52, is amended to read:

Subd. 52. [UNPROTECTED BIRDS.] “Unprotected birds” means English sparrow, blackbird, ~~crow~~, starling, magpie, cormorant, common pigeon, and great horned owl.

Sec. 2. Minnesota Statutes 1986, section 97A.121, subdivision 2, is amended to read:

Subd. 2. [SEASON.] The *open* season for hunting in private shooting

preserves is from September 1 through March 31 continuous. The commissioner may restrict the open season after receiving a complaint, holding a public hearing, and finding that the population of wild game birds is in danger by hunting in the preserve.

Sec. 3. Minnesota Statutes 1986, section 97A.121, is amended by adding a subdivision to read:

Subd. 4a. [PHEASANTS] A private shooting preserve licensed to release pheasants must release at least 500 pheasants on the licensed shooting preserve area during the private shooting preserve hunting season. At least 20 pheasants must be released within 14 days before a day that pheasants are hunted. The number of pheasants harvested may not exceed 95 percent of the number of pheasants released during the private shooting preserve hunting season.

Sec. 4. Minnesota Statutes 1986, section 97B.715, subdivision 1, is amended to read:

Subdivision 1. [STAMP REQUIRED.] (a) Except as provided in paragraph (b), a person required to possess a small game license may not hunt pheasants without a pheasant stamp in possession.

(b) The following persons are exempt from this subdivision:

(1) residents under age 18 or over age 65; and

(2) persons hunting on licensed private shooting preserves in Norman, Becker, Wadena, Cass, Crow Wing, Aitkin, or Carlton county, and locations north of the northern boundaries of these counties.

Sec. 5. Minnesota Statutes 1986, section 97B.731, subdivision 2, is amended to read:

Subd. 2. [TAKING MOURNING DOVES GENERALLY PROHIBITED.] *Except as provided in section 6, mourning doves may not be taken in the state.*

Sec. 6. Minnesota Statutes 1986, section 97B.731, is amended by adding a subdivision to read:

Subd. 3. [EXPERIMENTAL MOURNING DOVE SEASON.] In 1988 and 1989 the commissioner may prescribe an open season and limits for mourning doves west of U.S. trunk highway No. 71.

Sec. 7. Minnesota Statutes 1986, section 97B.731, is amended by adding a subdivision to read:

Subd. 4. [BLACKBIRD, COWBIRD, GRACKLE, MAGPIE, AND CROW DEPREDATION.] (a) Yellow-headed red-winged, bi-colored red-winged, Rusty's, and Brewer's blackbirds, cowbirds, grackles, magpies, and crows may be taken if:

(1) committing or about to commit depredation on ornamental or shade trees, agricultural crops, livestock, or wildlife; or

(2) concentrated in numbers and in a manner to constitute a health hazard or other nuisance.

(b) Birds taken under this subdivision or their plumage may not be sold or offered for sale, but may be possessed, transported, and otherwise disposed of or utilized.

Sec. 8. Minnesota Statutes 1986, section 97B.731, is amended by adding a subdivision to read:

Subd. 5. [CROW SEASON.] The commissioner shall prescribe the time for a 124-day open season on crow. During the open season there is no limit on number of crow taken or possessed.

Sec. 9. [EFFECTIVE DATE.]

Sections 1, 7, and 8 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to game and fish; eliminating crows as an unprotected bird; authorizing a season on crows; prescribing when crows and certain other birds causing damage may be taken; removing statutory restrictions on the open season on private shooting preserves; requiring at least 500 pheasants to be released on certain shooting preserves and that harvested pheasants may not exceed 95 percent of the pheasants released; authorizing persons to hunt on a shooting preserve without a pheasant stamp; authorizing the taking of mourning doves during an experimental season west of U.S. highway No. 71; amending Minnesota Statutes 1986, sections 97A.015, subdivision 52; 97A.121, subdivision 2, and by adding a subdivision; 97B.715, subdivision 1; and 97B.731, subdivision 2, and by adding subdivisions."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

H.F. No. 1709: A bill for an act relating to retirement; judges' retirement fund; providing coverage under the combined service annuity, combined service disability benefit, and combined service survivor benefit provisions; requiring the establishment of a bounce-back joint and survivor optional annuity form; amending Minnesota Statutes 1987 Supplement, sections 356.30, subdivision 3; 356.302, subdivision 7; 356.303, subdivision 4; and 490.124, subdivision 11.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE I

UNIFORM JUDICIAL RETIREMENT PLAN

Section 1. Minnesota Statutes 1986, section 490.123, subdivision 1, is amended to read:

Subdivision 1. [CREATION; CONTRIBUTIONS.] ~~There is hereby created a special fund known as The "judges' retirement fund". The fund shall~~ *must* be credited with all contributions, all interest, and all other income authorized by law. From this fund there are appropriated the payments authorized by sections 490.121 to 490.132, in the amounts and at *the* times provided ~~herein~~, including the expenses of administering the fund. ~~Each~~ A judge shall contribute to the fund from each salary payment a sum equal to one-half of one percent of salary, plus a sum equal to the salary multiplied by the rate of employee tax specified in the Federal

Insurance Contributions Act as defined in section 355.01, subdivision 9, but in aggregate not less than seven percent of salary. *In addition, a judge referred to in section 355.392, subdivision 1, clause (b), shall contribute to the fund from each salary payment a sum equal to an additional three-quarters of one percent of salary.* The balance of all money necessary for administering sections 490.121 to 490.132 and the judges' retirement fund, including payment of retirement compensation and other benefits under sections 490.121 to 490.132, ~~shall~~ *must* be contributed to the fund by the state.

Money certified by the executive director of the Minnesota state retirement system to the commissioner of finance as needed to meet the state's obligations to the judges' retirement fund ~~shall~~ *must* be transferred to the fund at least once a month.

Sec. 2. Minnesota Statutes 1987 Supplement, section 490.124, subdivision 11, is amended to read:

Subd. 11. [OPTIONAL ANNUITIES.] ~~There shall be~~ No survivor or death benefits *may be paid* in connection with the death of a judge who retires after December 31, 1973, except as otherwise provided in sections 490.121 to 490.132. Within 30 days before retirement, except as provided in subdivision 10, a judge may elect to receive, ~~in lieu instead of the normal retirement annuity, an optional retirement annuity which shall take in the form of either an annuity payable for a period certain and for life thereafter or after that period, a joint and survivor annuity without reinstatement in the event of the designated beneficiary predeceasing the retired judge, or a joint and survivor annuity with reinstatement in the event of the designated beneficiary predeceasing the retired judge.~~ ~~The~~ An optional retirement annuity ~~shall~~ *must* be actuarially equivalent to a single life annuity with no term certain and ~~shall~~ *must* be established by the board of directors of the Minnesota state retirement system. In establishing these optional retirement annuity forms, the board shall obtain the written recommendation of the actuary retained by the legislative commission on pensions and retirement. The recommendations ~~shall~~ *must* be a part of the permanent records of the board.

Sec. 3. Minnesota Statutes 1986, section 490.129, is amended to read:
490.129 [BENEFITS OFFSET.]

Upon any event of maturity of benefits for ~~any~~ a judge referred to in section 355.392, subdivision 1, clause (b), the amount payable from the judges' retirement fund ~~shall~~ *must* be reduced by ~~75~~ 50 percent of the amount of the judge's primary benefit payable upon the event of maturity of benefits under the Social Security Act.

Upon any event of maturity of benefits for the judge's surviving spouse or dependent children under section 490.124, subdivision 9, the amount payable from the judges' retirement fund ~~shall~~ *must* be based ~~(a)~~ (1) on the judge's normal retirement annuity or ~~(b)~~ (2) upon the event of maturity of benefits under the Social Security Act, on the judge's normal retirement annuity after reduction by ~~75~~ 50 percent of the amount of the judge's primary benefit under the Social Security Act; provided that the surviving spouse or dependent children ~~shall~~ *must* receive an annuity of not less than 25 percent of the judge's final average compensation.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 and 2 are effective July 1, 1988. Section 3 is effective retroactively to August 1, 1987, and applies to benefits that accrued, accrue, or would have accrued after that date.

ARTICLE 2 PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

Section 1. Minnesota Statutes 1987 Supplement, section 353.01, subdivision 2b, is amended to read:

Subd. 2b. [EXCLUDED EMPLOYEES.] (a) The following persons are excluded from the meaning of "public employee":

(a) (1) persons employed for professional services where such the service is incidental to regular professional duties. ~~Service is incidental if, determined on the basis that compensation for it the service amounts to no more than 25 percent of a the person's total annual gross earnings for all professional duties;~~

(b) (2) election officers;

(c) (3) independent contractors and their employees;

(d) (4) patient and inmate help in governmental subdivision charitable, penal, and correctional institutions;

(e) (5) members of boards, commissions, bands, and others who serve the governmental subdivision intermittently;

(f) (6) employees who hold positions of an essentially temporary or seasonal character, provided such employment does not continue for a period in excess of 120 working days in any calendar year or in any school year for school employees. Immediately following the expiration of such 120 working days if such employees continue in public service and earn in excess of \$325 in any one calendar month, the department heads must then report all such employees for membership and must cause employee contributions to be made on behalf of such employees in accordance with section 353.27, subdivision 4, and they shall remain members until termination of public service. ~~whose employment is not expected to continue for a period longer than six consecutive months;~~

(g) (7) part-time employees who receive monthly compensation from a governmental subdivision not exceeding \$325 \$425, and part-time employees and elected officials whose annual compensation from a governmental subdivision is stipulated in advance, in writing, to be not more than \$3,900 \$5,100 per calendar year or per school year for school employees for employment expected to be of a full year's duration or more than the prorated portion of \$3,900 \$5,100 per employment period for employment expected to be of less than a full year's duration, except that members shall continue their membership until termination of public service;

(h) (8) persons who first occupy an elected office after ~~March 1, 1978~~ July 1, 1988, the compensation for which does not exceed \$325 \$425 per month;

(i) (9) emergency employees who are employed by reason of work caused by fire, flood, storm, or similar disaster;

(j) (10) employees who by virtue of their employment as an officer or employee of a governmental subdivision are required by law to be a member of and to contribute to any of the plans or funds administered by the state

employees retirement fund system, the teachers retirement fund, the state patrol retirement fund, the Duluth teachers retirement fund association, the Minneapolis teachers retirement fund association, the St. Paul teachers retirement fund association, the Minneapolis employees retirement fund, the Minnesota state retirement system correctional officers retirement plan, or any police or firefighters relief association governed by section 69.77 which that has not consolidated with the public employees police and fire fund and for which the employee has not elected coverage by the public employees police and fire fund benefit plan as provided in sections 353A.01 to 353A.10, other than as an act of the legislature has specifically enabled participation by employees of a designated governmental subdivision in a plan supplemental to the public employees retirement association. This clause shall not prevent a person from being a member of and contributing to the public employees retirement association and also belonging to or contributing to another public pension fund for other service occurring during the same period of time-;

(k) (11) police matrons employed in a police department of any a city who are transferred to the jurisdiction of a joint city and county detention and corrections authority-;

(l) (12) persons who are excluded from coverage under the federal old age, survivors, disability, and health insurance program for the performance of service as specified in United States Code, title 42, section 410(a) (8) (A), as amended through January 1, 1987-;

(m) (13) full-time students who are enrolled and are regularly attending classes at an accredited school, college, or university; provided, no person and who are not employed full time by a governmental subdivision shall be exempt under this paragraph-;

(n) (14) resident physicians, medical interns, and pharmacist interns who are serving in public hospitals-;

(o) (15) appointed or elected officers, paid entirely on a fee basis, and who were not members on June 30, 1971-;

(p) Nothing in Laws 1973, chapter 753 shall be interpreted to impair or revoke any option exercised under Laws 1963, chapter 793.

(q) Town, city, or county assessors elected or appointed pursuant to chapter 273 who do not receive compensation in excess of \$325 per month from any one employing governmental subdivision or who are employed pursuant to an employment contract which sets forth the total compensation to be paid and the length of service, not to exceed three months in duration, required for the performance of the contract and which was entered into in advance of the commencement of employment.

(r) (16) persons holding a part-time adult supplementary vocational technical school license who render part-time teaching service in a vocational technical school if (1) the service is incidental to the person's regular nonteaching occupation; and (2), the applicable vocational technical school stipulates annually in advance that the part-time teaching service will not exceed 300 hours in a fiscal year, and (3) the part-time teaching service actually does not exceed 300 hours in a fiscal year-; and

(s) (17) persons exempt from licensure pursuant to under section 125.031.

(b) Immediately following the expiration of a six-month period of employment by an employee covered by paragraph (a), clause (6), if the employee

continues in public service and earns more than \$425 from a governmental subdivision in any one calendar month, the department head shall report the employee for membership and cause employee contributions to be made on behalf of the employee in accordance with section 353.27, subdivision 4, and the employee remains a member until termination of public service. This paragraph may not be construed to exclude an employee from membership whose employment is expected to continue for more than six months but who is serving a probationary period.

(c) If compensation from a governmental subdivision to an employee covered by paragraph (a), clause (7), exceeds \$5,100 per calendar year or school year after being stipulated in advance, the stipulation is no longer valid and contributions must be made on behalf of the employee in accordance with section 353.27, subdivision 12, from the month in which the employee first exceeded \$425.

(d) Paragraph (a), clause (10), does not prevent a person from being a member of and contributing to the public employees retirement association and also belonging to or contributing to another public pension fund for other service occurring during the same period of time. A person who meets the definition of "public employee" in section 353.01, subdivision 2; by virtue of other service occurring during the same period of time shall become a member of the association unless contributions are made to another public retirement fund on the salary based on the other service or to the teachers retirement association in accordance with section 354.05, subdivision 2.

Sec. 2. Minnesota Statutes 1986, section 353.01, is amended by adding a subdivision to read:

Subd. 2c. [DEFINING OF TERMINATION OF PUBLIC SERVICE.] A person who terminates employment that was excluded from membership under subdivision 2b, paragraph (a), clause (6) or (7), who returns within 30 days to employment in the same governmental subdivision in another position excluded from membership under subdivision 2b, paragraph (a), clause (6) or (7), is considered a member from the beginning of the reemployment unless the total period covered by all periods of employment is less than six months or on which the amount earned does not exceed the dollar limitations in subdivision 2b, paragraph (a), clause (7).

Sec. 3. Minnesota Statutes 1987 Supplement, section 353.01, subdivision 10, is amended to read:

Subd. 10. [SALARY.] "Salary" means the periodical compensation of any a public employee, before deductions for deferred compensation or, supplemental retirement plans, or other voluntary salary reduction programs, and also means "wages" and includes net income from fees. Fees paid to district court reporters shall are not be considered a salary. Lump sum annual or lump sum sick leave payments and, severance payments, and all payments in lieu of any employer-paid group insurance coverage, including the difference between single and family rates that may be paid to a member with single coverage, shall are not be deemed to be salary. Prior to Before the time that all sick leave has been used, amounts paid to an employee pursuant to under a disability insurance policy or program where the employer paid the premiums shall be are considered salary, and, after all sick leave has been used, the payment shall is not be considered salary. Workers' compensation payments shall are not be considered salary. For any a public employee who has prior service covered by a local police

or firefighters relief association ~~which~~ *that* has consolidated with the public employees police and fire fund and who has elected coverage by the public employees police and fire fund benefit plan as provided in section 353A.08 following the consolidation, the term "salary" means the rate of salary upon which member contributions to the special fund of the relief association were made prior to the effective date of the consolidation as specified ~~in the applicable general law, special by law, and by bylaw provisions governing the relief association as of~~ *on* the date of the initiation of the consolidation procedure and the actual periodical compensation of the public employee after the effective date of the consolidation.

Sec. 4. Minnesota Statutes 1986, section 353.01, subdivision 15, is amended to read:

Subd. 15. [DEPENDENT CHILD.] "Dependent child" means ~~any~~ *a* natural or adopted child of a deceased member, provided such child is ~~(a)~~ under the age of 18; ~~(b) or~~ *age* 18 through 21 and a full time student *in an accredited school, university, or college*, and in either case unmarried and dependent for more than one-half of support upon ~~such~~ *the* member at the time of death and for not less than 90 days ~~prior thereto before the time of death~~; provided, that the child of a deceased member, who at the time of death was receiving total and permanent disability benefits ~~pursuant to~~ *under* section 353.33, ~~shall be~~ *is* deemed dependent if dependent upon the decedent for more than one-half of support during the 90 days ~~prior to before~~ the decedent's becoming totally and permanently disabled. ~~It~~ "Dependent child" also includes ~~any~~ *a* child of the member conceived during the member's lifetime and born after ~~the member's~~ *death*. It also means ~~any~~ *a* dependent child who is the subject of adoption proceedings filed by a member, and who within two years after death of the member, by judgment and decree duly entered, is adjudged to be the adopted child of the deceased member; subject, however, to the qualifying conditions of age and dependency ~~aforsaid and in this subdivision~~. The dependency of the child ~~hereunder shall date~~ *dates* from the decree of adoption. "Dependent child" also includes *a child age 18 to 21 who was attending an accredited school, university, or college full time, but was determined to be medically unable to continue school on a full-time basis. The board of trustees shall adopt written procedures to make determinations regarding eligibility based on a student being medically unable to continue school, and may not continue a benefit for medical reasons for a period greater than one year.*

Sec. 5. Minnesota Statutes 1987 Supplement, section 353.01, subdivision 16, is amended to read:

Subd. 16. [ALLOWABLE SERVICE.] (a) "Allowable service" means: ~~(1)~~ *(1)* service during years of actual membership in the course of which employee contributions were ~~currently~~ *made*; periods covered by payments in lieu of salary deductions made as provided in section 353.35, and service in years during which the public employee was not a member but for which the member later elected, while a member, to obtain credit by making payments to the fund as permitted by any law then in effect.

~~(2)~~ *(2)* ~~Any~~ *(b)* "Allowable service" also means a period of authorized leave of absence with pay from which deductions for employee contributions are made, deposited, and credited to the fund.

~~(3)~~ *(3)* ~~Any~~ *(c)* "Allowable service" also means a period of authorized leave of absence without pay ~~which~~ *that* does not exceed one year, and during

or for which a member obtained credit by payments to the fund made ~~in lieu~~ *in place* of salary deductions, provided that ~~such~~ *the* payments are made in an amount or amounts based on the member's average salary on which deductions were paid ~~(a)~~ for the last six months of public service, or ~~(b)~~ for that portion of the last six months while the member was in public service, to apply to the period in either case immediately preceding commencement of ~~such~~ *the* leave of absence; provided, however, that if the employee elects to pay employee contributions for the period of any leave of absence without pay, or for any portion ~~thereof~~ *of the leave*, the employee shall also, as a condition to the exercise of ~~such~~ *the* election, pay to the fund an amount equivalent to both the required employer and additional employer contributions ~~therefor~~, ~~such~~ *for the employee*. The payment ~~to~~ *must* be made ~~currently~~ or within one year from the date the leave of absence terminates, ~~unless~~ *the*. The employer by appropriate action of its governing body ~~and~~, made a part of its official records, ~~prior to~~ *before* the date of the first payment of ~~such~~ *the* employee contribution, ~~certifies~~ *may certify* to the association in writing that it will cause to be paid ~~such~~ *the* employer and additional employer contributions from the proceeds of a tax levy made ~~pursuant to~~ *under* section 353.28. Payments under this ~~clause~~ *shall* ~~para-~~ *graph* ~~must~~ include interest at the rate of six percent ~~per annum~~ *a year* from the date of the termination of the leave of absence to the date payment is made.

(4) Any (d) "Allowable service" also means a period during which a member is on an authorized sick leave of absence, without pay limited to one year, or an authorized temporary layoff.

(5) Any (e) "Allowable service" also means a period during which a member is on an authorized leave of absence to enter military service, provided that the member returns to public service upon discharge from military service ~~pursuant to~~ *under* section 192.262, and pays into the fund employee contributions based upon the employee's salary at the date of return from military service. After June 30, 1983, Payment must be made within five years of the date of discharge from the military service. The amount of these contributions ~~shall~~ *must* be in accord with the contribution rates and salary limitations, if any, in effect during ~~such~~ *the* leave, plus interest ~~thereon~~ at six percent ~~per annum~~ *a year* compounded annually from the date of return to public service to the date payment is made. In such cases the matching employer contribution and additional employer contribution provided in section 353.27, subdivisions 3 and 3a, ~~shall~~ *must* be paid by the department employing ~~such~~ *the* member upon return to public service, and the governmental subdivision involved is ~~hereby~~ *authorized* ~~to~~ *may* appropriate money ~~therefor~~ *for those payments*. ~~Such~~ *A* member ~~shall~~ *may* not receive credit for ~~any~~ *a* voluntary extension of military service at the instance of the member beyond the initial period of enlistment, induction, or call to active duty.

(6) (f) For calculating benefits under sections 353.30, 353.31, 353.32, and 353.33 for state officers and employees displaced by the community corrections act, ~~Minnesota Statutes 1984~~, chapter 401, and transferred into county service under ~~Minnesota Statutes 1984~~, section 401.04, "allowable service" means combined years of allowable service as defined in ~~Minnesota Statutes 1984~~, ~~section~~ *sections* 352.01, subdivision 11, and ~~Minnesota Statutes 1984~~, ~~section~~ 353.01, subdivision 16, paragraphs (1) to (5).

(7) (g) For ~~any~~ *a* public employee who has prior service covered by a

local police or firefighters relief association ~~which~~ *that* has consolidated with the public employees police and fire fund, and who has elected coverage by the public employees police and fire fund benefit plan as provided in section 353A.08 following the consolidation, ~~any~~ *"applicable service"* is a period of service credited by the local police or firefighters relief association as of the effective date of the consolidation based on ~~the applicable general law, special law, and on~~ *bylaw* provisions governing the relief association ~~as of~~ *on* the date of the initiation of the consolidation procedure.

Sec. 6. Minnesota Statutes 1987 Supplement, section 353.01, subdivision 20, is amended to read:

Subd. 20. [SURVIVING SPOUSE.] "Surviving spouse" means the unmarried spouse of a deceased member who ~~had the same legal residence as was legally married to~~ the member at the time of death, or at the time the member became totally and permanently disabled.

Sec. 7. Minnesota Statutes 1986, section 353.01, subdivision 29, is amended to read:

Subd. 29. [DESIGNATED BENEFICIARY.] "Designated beneficiary" means the person *or organization* designated by a member, *former member, disabilitant, or retired member* in writing, *signed and filed with the association before the death of the member, former member, disabilitant, or retired member,* to receive a refund of the balance of the member's accumulated deductions after death.

Sec. 8. Minnesota Statutes 1986, section 353.028, subdivision 2, is amended to read:

Subd. 2. [ELECTION.] A city manager may elect to be excluded from membership in the association. The election of exclusion ~~shall~~ *must* be made within ~~30 days~~ *six months* following the commencement of employment ~~or within 30 days following May 22, 1981, whichever occurs later,~~ in writing on a form prescribed by the executive director, and ~~shall~~ *must* be approved by a resolution of the governing body of the city. The election of exclusion ~~shall~~ *is not be* effective until it is filed with the executive director. Membership of a city manager in the association ~~shall~~ *cease* on the date the written election is received by the executive director or upon a later date specified. The election to be excluded from membership ~~shall~~ *must* include a provision agreeing that the person will not at any time in the future seek ~~any~~ authorization to purchase service credit for any period of excluded service and ~~shall~~ *be* irrevocable. *Employee and employer contributions made on behalf of a person exercising the option to be excluded from membership under this section must be refunded in accordance with section 353.27, subdivision 7.*

Sec. 9. Minnesota Statutes 1986, section 353.03, subdivision 1, is amended to read:

Subdivision 1. [MANAGEMENT; COMPOSITION; ELECTION.] The management of the public employees retirement fund is vested in a board of trustees consisting of the state auditor and eight members. The governor shall appoint five trustees to four-year terms, one of whom shall be designated to represent school boards, one to represent cities, one to represent counties, one who shall be a retired annuitant, and one who is a public member knowledgeable in pension matters. The membership of the association shall elect three trustees for terms of four years. Trustees elected by the membership of the association ~~shall~~ *must* be public employees and

members of the association. For seven days beginning ~~November~~ *October* 1 of each year preceding a year in which an election is held, the association shall accept at its office filings in person or by mail of candidates for the board of trustees. A candidate shall submit at the time of filing a nominating petition signed by 25 or more members of the fund. No name may be withdrawn from nomination by the nominee after ~~November~~ *October* 15. At the request of a candidate for an elected position on the board of trustees, the board shall mail a statement of up to 300 words prepared by the candidate to all persons eligible to vote in the election of the candidate. The board may adopt policies to govern form and length of these statements, timing of mailings, and deadlines for submitting materials to be mailed. These policies must be approved by the secretary of state. *The secretary of state shall resolve* disputes between the board and a candidate concerning application of these policies to a particular statement ~~shall be resolved by the secretary of state~~. A candidate who:

(a) (1) receives contributions or makes expenditures in excess of \$100; or

(b) (2) has given implicit or explicit consent for any other person to receive contributions or make expenditures in excess of \$100; for the purpose of bringing about the candidate's election, must file a report with the ethical practices board disclosing the source and amount of all contributions to the candidate's campaign. The ethical practices board shall prescribe forms governing these disclosures. Expenditures and contributions have the meaning defined in section 10A.01. These terms do not include the mailing made by the association board on behalf of the candidate. A candidate must file a report within 30 days from the day that the results of the election are announced. The ethical practices board shall maintain these reports and make them available for public inspection in the same manner as the board maintains and makes available other reports filed with it. By January 10 of each year in which elections are to be held the board shall distribute by mail to the members ballots listing the candidates. No member may vote for more than one candidate for each board position to be filled. A ballot indicating a vote for more than one person for any position ~~shall be~~ *is* void. No special marking may be used on the ballot to indicate incumbents. The last day for mailing ballots to the fund ~~shall be~~ *is* January 31. Terms expire on January 31 of the fourth year, and positions are vacant until newly elected members are qualified. The ballot envelopes ~~shall must~~ be so designed and the ballots ~~shall be~~ counted in ~~such~~ a manner ~~as to insure~~ *that ensures* that each vote is secret.

The secretary of state shall supervise the elections shall be supervised by the secretary of state. It shall be the duty of The board of trustees *to shall* faithfully administer the law without prejudice and consistent with the expressed intent of the legislature. ~~They~~ *Board members* shall act as trustees with a fiduciary obligation to the state of Minnesota, which created the fund, the taxpayers of the governmental subdivisions ~~which that~~ aid in financing it, and the public employees who are its beneficiaries. They shall act in good faith and shall exercise that degree of judgment and care, under circumstances then prevailing, ~~which that~~ persons of prudence, discretion, and intelligence exercise in the management of their own affairs.

Sec. 10. Minnesota Statutes 1986, section 353.27, subdivision 7, is amended to read:

Subd. 7. [ADJUSTMENT FOR ERRONEOUS RECEIPTS OR DISBURSEMENTS.] (+) (a) [ERRONEOUS DEDUCTIONS.] Any Deductions taken in error by the employer from the salary of an employee for the retirement fund and transmitted to the association ~~shall~~ *must* be refunded to the employee *calculated in accordance with section 353.34, subdivision 2*; and the employer contribution and the additional employer contribution, if any, for the erroneous employee contribution ~~shall~~ *must* be refunded to the employer, provided, however, *that the association and the state social security agency may make proper adjustments of moneys money taken as employee and employer deductions, and provided further that the refund of deductions taken in error has been made within three calendar years of the calendar year in which the initial erroneous deduction taken in error was received by the association. If the refund of deductions taken in error has not been made within three calendar years of the calendar year in which the initial erroneous deduction taken in error was received by the association, the erroneous contributions are considered valid, and the years of allowable service attributable to the erroneous deductions must be credited to the member in accordance with section 353.01, subdivision 16, and, notwithstanding a law to the contrary, the employee may continue to be a member until termination of public service.*

(+) (b) [ERRONEOUS DISBURSEMENT.] In the event a salary warrant or check from which a deduction for the retirement fund was taken has been canceled or the amount of the warrant or check returned to the funds of the department making the payment, a refund of the sum ~~so~~ deducted, or ~~any~~ a portion of it as *that* is required to adjust the deductions, ~~shall~~ *must* be made to the department or institution.

Sec. 11. Minnesota Statutes 1986, section 353.27, is amended by adding a subdivision to read:

Subd. 7a. [DEDUCTIONS OR CONTRIBUTIONS TRANSMITTED BY ERROR.] *If employee deductions and employer contributions were erroneously transmitted to the association, but should have been transmitted to another public pension fund listed in section 356.30, subdivision 3, the association shall transfer the erroneous employee deductions and employer contributions to the appropriate retirement fund without interest. The time limitations in section 353.27, subdivisions 7 and 12, do not apply.*

Sec. 12. Minnesota Statutes 1987 Supplement, section 353.27, subdivision 10, is amended to read:

Subd. 10. [EMPLOYERS; FURNISH COPIES OF PAYROLL ABSTRACTS.] The head of each department is required to furnish the executive director with a carbon or duplicate copy of the departmental payroll abstracts for the last full pay period during the ~~months~~ *month* of ~~March~~ *May* for school districts and ~~October~~ *December* for all other governmental subdivisions, respectively, in each year. *Instead of a duplicate copy of the payroll abstract, the employer may submit an exception report listing only those employees who worked the last full pay period of May or December, but who are not members of the association. Minimum reporting requirements to be shown on either the payroll abstract or exception report include: (1) name of the governmental subdivision and department identification; (2) the association's assigned unit number and unique code; (3) pay period coverage dates; (4) any employee deductions; (5) gross salary for the pay period; (6) each employee's year-to-date gross pay; and (7) the reason for any exclusion. It shall be the duty of said* The executive

director ~~to~~ shall check the copies of all ~~such~~ payroll abstracts against the membership records of the association to ascertain whether ~~or not~~ any omissions have been made by ~~any~~ a department head in the reporting of ~~any~~ new public employees for membership. *The head of any department shall furnish a carbon or duplicate copy of the department payroll abstract at the request of the executive director. The executive director may delegate an association employee by appointment, in accordance with section 353.03, subdivision 3a, paragraph (b), clause (5), to conduct a field audit to review the payroll records of a governmental subdivision.*

Sec. 13. Minnesota Statutes 1987 Supplement, section 353.27, subdivision 12, is amended to read:

Subd. 12. [OMITTED SALARY DEDUCTIONS; OBLIGATIONS.] In the case of omission of required deductions from salary of an employee, past due for a period of 60 days or less, the head of the department shall deduct from the employee's next salary payment and forthwith remit to the executive director the amount of the employee contribution delinquency, with cumulative interest ~~thereon~~ at the rate of six percent ~~per annum~~ a year, compounded annually, from the date or dates each delinquent employee contribution was first payable, ~~such~~. The interest ~~to~~ must be paid by the employer. ~~To the extent that any such omitted required deductions are not paid by the employee, they shall constitute a liability of the governmental subdivision which failed to make said required deductions, with interest thereon as hereinbefore specified. After July 1, 1973, any such Omitted required deductions, past due for a period in excess of 60 days, shall become~~ are the sole obligation of the governmental subdivision from the time ~~such~~ the deductions were first payable, together with interest ~~thereon~~ as ~~hereinbefore~~ specified in this subdivision. Any amount so due, together with employer and additional employer contributions at the rates and in the amounts specified in subdivisions 3 and 3a, with interest ~~thereon~~ at the rate of six percent compounded annually from the date they were first payable, shall ~~must~~ be paid from the proceeds of a tax levy made ~~pursuant to~~ under section 353.28, or from other funds available to the employer. Unless otherwise indicated, this subdivision shall ~~have~~ has both retroactive and prospective application, and the governmental subdivision is liable retroactively and prospectively for all amounts due ~~hereunder~~ under it. No action for the recovery of ~~delinquent omitted~~ employee and employer contributions or interest on contributions may be commenced and no payment of ~~delinquent omitted~~ contributions may be made or accepted unless the association has already commenced action for recovery of ~~delinquent omitted~~ contributions, after the expiration of three calendar years ~~next following~~ after the calendar year in which the contributions were omitted. *An action for the recovery of omitted contributions or interest commences five calendar days after the date of the written correspondence requesting information from the governmental unit that may lead to a recovery of omitted contributions.*

Sec. 14. Minnesota Statutes 1986, section 353.27, is amended by adding a subdivision to read:

Subd. 12a. A member who was employed and met the eligibility requirements for participation in the association before July 1, 1973, who has a period of employment in which previously omitted employer contributions were made under subdivision 12 but for whom no, or only partial, omitted employee contributions have been made, or a member who had prior

coverage in the association for which previously omitted employer contributions were made under subdivision 12 but who terminated service before required omitted employee contributions could be withheld from salary, may pay the omitted employee contributions for the period on which omitted employer contributions were previously paid plus interest at the rate of six percent compounded annually. The statute of limitations for payment of omitted deductions in subdivision 12 applies.

Sec. 15. Minnesota Statutes 1986, section 353.27, subdivision 13, is amended to read:

Subd. 13. [CERTAIN WARRANTS CANCELED.] ~~Any~~ A warrant payable from the retirement fund remaining unpaid for a period of ~~six~~ five years, ~~shall must~~ be canceled into the retirement fund and not into the general fund.

Sec. 16. Minnesota Statutes 1987 Supplement, section 353.29, subdivision 6, is amended to read:

Subd. 6. [RETIREMENT BEFORE ELIGIBILITY FOR SOCIAL SECURITY BENEFITS.] ~~Any~~ A member or former member who retires before becoming eligible for social security retirement benefits may elect to receive an optional retirement annuity from the association ~~which that~~ provides for different annuity amounts over different periods of retirement. The election of this optional retirement annuity ~~shall must~~ be exercised by making application to the board of trustees. The optional annuity ~~shall must~~ take the form of an annuity payable for the period before the annuitant becomes eligible for social security old age retirement benefits in a greater amount than the amount of the annuity calculated under subdivisions 2 and 3 on the basis of the age of the annuitant at retirement ~~but equal insofar as possible to the social security old age retirement benefit and the adjusted retirement annuity amount payable immediately after the annuitant becomes eligible for social security old age retirement benefits in an amount less than the amount of the annuity calculated under subdivisions 2 and 3 on the basis of the age of the annuitant at retirement.~~ The social security leveling option may be calculated based on broad average social security old age retirement benefits. The optional annuity ~~shall must~~ be the actuarial equivalent of the normal retirement annuity computed on the basis of age at retirement. This greater amount ~~shall must~~ be paid until the annuitant reaches the age of 62, at which time the payment from the association ~~shall must~~ be reduced. ~~The board of trustees shall establish the method of computing the optional retirement annuity under this subdivision shall be established by the board of trustees.~~ In establishing the method of computing the optional retirement annuity, the board of trustees shall obtain the written ~~recommendation approval~~ of the commission-retained actuary. The recommendations ~~shall must~~ be a part of the permanent records of the board of trustees.

Sec. 17. Minnesota Statutes 1987 Supplement, section 353.32, subdivision 1a, is amended to read:

Subd. 1a. [SURVIVING SPOUSE OPTIONAL ANNUITY.] If a member or former member who has attained ~~the at least age of at least~~ 50 years and has credit for not less than five years of allowable service, or who has credit for not less than 30 years of allowable service, regardless of age attained, dies before the annuity or disability benefit ~~has become payable begins to accrue in accordance with section 353.29, subdivision 7, or 353.33, subdivision 2,~~ notwithstanding any designation of beneficiary to

the contrary, the surviving spouse may elect to receive, ~~in lieu~~ *instead of* a refund with interest provided in subdivision 1, or survivor benefits otherwise payable ~~pursuant to~~ *under* section 353.31, an annuity equal to the 100 percent joint and survivor annuity ~~which that~~ the member could have qualified for had the member terminated service on the date of death. The surviving spouse may apply for the annuity at any time after the date on which the deceased employee would have attained the required age for retirement based on the employee's allowable service. The annuity ~~shall~~ *must* be computed as provided in sections 353.29, subdivisions 2 and 3; and 353.30, subdivisions 1, 1a, 1b and 1c. Sections 353.34, subdivision 3, and 353.71, subdivision 2, apply to a deferred annuity payable under this subdivision. No payment ~~shall may~~ accrue beyond the end of the month in which entitlement to the annuity has terminated. An amount equal to ~~the any excess, if any,~~ of the accumulated contributions ~~which that~~ were credited to the account of the deceased employee over and above the total of the annuities paid and payable to the surviving spouse ~~shall must~~ be paid to the deceased member's last designated beneficiary or, if none, to the legal representative of the estate of the deceased member. ~~Any~~ A member may specify in writing that this subdivision ~~shall does~~ not apply and that payment ~~shall may~~ be made only to the designated beneficiary, as otherwise provided by this chapter.

Sec. 18. Minnesota Statutes 1986, section 353.32, subdivision 5, is amended to read:

Subd. 5. [\$1,500 OR LESS, LIMITED.] If a member or former member dies without having designated a beneficiary, or if the beneficiary should die before making application for refund of the sum to the credit of such decedent, and the amount of the refund is \$1,500 or less, the board of trustees may 90 days after the date of death, in the absence of probate proceedings, make payment to the surviving spouse of the ~~said~~ decedent, or, if none, to the next of kin ~~under the laws of descent of the state of Minnesota~~ *decedent's personal representative or, if none, to the estate.* ~~Such~~ A payment ~~shall be under this subdivision~~ is a bar to recovery by any other person or persons. ~~Any~~ A retirement annuity, or disability or survivor benefit ~~which shall have that has~~ accrued at the time of death of an annuitant, disabilitant or survivor may be paid ~~in like the same~~ manner.

Sec. 19. Minnesota Statutes 1986, section 353.33, subdivision 7, is amended to read:

Subd. 7. [PARTIAL REEMPLOYMENT.] ~~Should such~~ *If a* disabled person ~~resume~~ *resumes* a gainful occupation from which earnings are less than the salary at the date of disability or the salary currently paid for similar positions, the board shall continue the disability benefit in an amount ~~which that,~~ when added to ~~such~~ *the* earnings, does not exceed the salary at the date of disability or the salary currently paid for similar positions, whichever is higher, provided the disability benefit ~~in such case~~ does not exceed the disability benefit originally allowed, *plus any postretirement adjustments payable after December 31, 1988, in accordance with section 11A.18, subdivision 10.* No deductions for the retirement fund ~~shall may~~ be taken from the salary of a disabled person who is receiving a disability benefit as provided in this subdivision.

Sec. 20. Minnesota Statutes 1987 Supplement, section 353.34, subdivision 3, is amended to read:

Subd. 3. [DEFERRED ANNUITY; ELIGIBILITY; COMPUTATION.]

~~Any person~~ A member with at least five years of allowable service when termination of public service occurs ~~shall have~~ has the option of leaving the accumulated deductions in the fund and ~~thereby be being~~ entitled to a deferred retirement annuity commencing at age 65 or ~~for~~ to a deferred early retirement annuity ~~pursuant to~~ under section 353.30, subdivision 1, 1a, 1b or 1c. The deferred annuity ~~shall must~~ be computed in the manner ~~provided in~~ under section 353.29, subdivisions 2 and 3, on the basis of the law in effect on the date of termination of public service and ~~shall must~~ be augmented as provided in section 353.71, subdivision 2. ~~Any person~~ A former member qualified to apply for a deferred retirement annuity may revoke this option at any time ~~prior to~~ before the commencement of deferred annuity payments by making application for a refund. The person ~~shall be~~ is entitled to a refund of accumulated member contributions within 30 days following date of receipt of the application by the executive director.

Sec. 21. Minnesota Statutes 1986, section 353.37, subdivision 1, is amended to read:

Subdivision 1. [EFFECT ON ANNUITY.] The annuity of a person otherwise eligible ~~therefor for an annuity~~ under this chapter ~~shall must~~ be suspended if the person reenters, and for as long as the person remains in, public service as a nonelective employee of a governmental subdivision, if earned compensation for the reemployment service equals or exceeds the annual maximum earnings allowable for that age for the continued receipt of full benefit amounts monthly under the federal old age, survivors and disability insurance program as set by the secretary of health and human services ~~pursuant to the provisions of~~ under the United States Code, title 42, section 403, in any calendar year. In the event that the person has not yet reached the minimum age for the receipt of social security benefits, the maximum earnings for the person ~~shall be~~ are equal to the annual maximum earnings allowable for the minimum age for the receipt of social security benefits. The suspension of the annuity ~~shall must~~ commence as of the first of the month ~~after the month~~ in which the maximum permitted compensation is exceeded ~~as herein provided~~; but ~~shall it applies~~ only apply to those months in which the annuitant is actually employed in nonelective service in a position covered by this chapter. ~~Any~~ An annuitant of the association who is elected to public office after retirement ~~shall be~~ is entitled to hold ~~such the~~ office and receive the annuity otherwise payable from the public employees retirement association. Upon proper showing by an annuitant that the reason for the suspension of the annuity payments no longer exists, the monthly annuity payments ~~shall must~~ be resumed. Public service performed by an annuitant subsequent to retirement under this chapter ~~shall does~~ not increase or decrease the amount of ~~any an~~ annuity when payment of the annuity is resumed. The annuitant ~~shall may not be~~ required to make any further contributions to the retirement fund by reason of this subsequent public service.

Sec. 22. Minnesota Statutes 1986, section 353.65, subdivision 2, is amended to read:

Subd. 2. The employee contribution ~~shall be~~ is an amount equal to eight percent of the total salary of ~~every the~~ member. This contribution ~~shall must~~ be made by deduction from salary in the manner provided in subdivision 4. Where any portion of a member's salary is paid from other than public funds, ~~such the~~ member's employee contribution ~~shall be~~ is based on the total salary received from all sources. ~~If the member is a firefighter employed on less than a full-time basis,~~ the member's total salary shall

not include any reimbursement payments for fire calls.

Sec. 23. Minnesota Statutes 1987 Supplement, section 353C.02, is amended to read:

353C.02 [CORRECTIONAL SERVICE EMPLOYEES.]

A local government correctional service employee is a person who:

(1) meets the definition of "essential employee" in section 179A.03, subdivision 7, excluding state employees, University of Minnesota employees, firefighters, peace officers subject to licensure under sections 626.84 to 626.855, employees of hospitals other than state hospitals, confidential employees, supervisory employees other than ~~supervisory~~ employees of *who supervise* correctional officers *and who are stationed* at correctional facilities or city or county jails, principals, and assistant principals;

(2) is employed by Dakota county, Hennepin county, Ramsey county, ~~St. Louis county~~, or Washington county, if the county elects to participate under section 353C.04 *or by a joint-powers correctional agency in which St. Louis county or its municipalities participate, if the governing body of the agency elects to participate under section 353C.04;*

(3) is a public employee within the meaning of section 353.01, subdivisions 2 and 2a; and

(4) is not at the time of the exercise of the participation option under section 353C.04 a member of the basic program of the public employees retirement association or a member of the public employees police and fire fund.

Sec. 24. Minnesota Statutes 1987 Supplement, section 353C.03, is amended to read:

353C.03 [CORRECTIONAL SERVICE PLAN COVERAGE.]

Subdivision 1. [INITIAL COVERAGE.] A person who is a local government correctional service employee on June 30, 1988, *or on the date on which the county elects to participate in the plan under section 353C.04, whichever is later*, is a member of the local government correctional service retirement plan and shall begin contributing to the plan on July 1, 1988, *or on the first day of the first pay period following the date on which the county elects to participate in the plan under section 353C.04, whichever is later.*

Subd. 2. [SUBSEQUENT COVERAGE.] A person who becomes a local government correctional service employee after June 30, 1988, *or on the date on which the county elects to participate in the plan under section 353C.04, whichever is later*, is a member of the local government correctional service retirement plan and shall contribute to the plan.

Sec. 25. Minnesota Statutes 1987 Supplement, section 353C.04, is amended to read:

353C.04 [LOCAL GOVERNMENT EMPLOYING UNIT PARTICIPATION OPTION.]

Dakota county, Hennepin county, Ramsey county, ~~St. Louis county~~, or Washington county *or the governing board of a joint-powers correctional agency in which St. Louis county or its municipalities participate* may elect to provide its correctional employees with retirement coverage by the local

government correctional service retirement plan ~~in lieu~~ *instead* of retirement coverage by the public employees retirement association or the public employees police and fire fund. The election must be made on a form provided by the executive director of the public employees retirement association and, once made, is irrevocable for all local government correctional service employees employed by the ~~county~~ *employing unit*.

Sec. 26. Minnesota Statutes 1987 Supplement, section 353C.05, is amended to read:

353C.05 [CORRECTIONAL SERVICE PLAN CONTRIBUTIONS.]

Subdivision 1. [MEMBER CONTRIBUTIONS.] Beginning with the first full pay period after July 1, 1988, after the effective date of the election to provide retirement coverage by the local governmental unit, or after becoming a local government correctional service employee, whichever is later, ~~in lieu~~ *instead* of employee contributions payable under section 353.27, subdivision 2, a local government correctional service employee shall make an employee contribution in an amount equal to ~~five~~ 7.5 percent of salary.

Subd. 2. [EMPLOYER CONTRIBUTIONS.] Beginning with the first full pay period after July 1, 1988, after the effective date of the election to provide retirement coverage by the local governmental unit, or after becoming a local government correctional service employee, whichever is later, ~~in lieu~~ *instead* of employer contributions payable under section 353.27, subdivision 3, the employer shall contribute for a local government correctional service employee an amount equal to ~~five~~ 7.5 percent of salary.

Subd. 3. [ADJUSTMENT IN CONTRIBUTION RATES.] Beginning with the first full pay period after the *most recent* actuarial valuation of the local government correctional service retirement plan prepared by the actuary retained by the legislative commission on pensions and retirement is filed with the executive director of the public employees retirement association, the member contribution rate is a percentage that equals one-half of the calculated total actuarial requirement of the plan, and the employer contribution rate is the balance of the calculated total actuarial requirement of the plan.

Sec. 27. Minnesota Statutes 1987 Supplement, section 353C.06, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY REQUIREMENTS.] After separation from public employment, an employee covered under section 353C.02 who has attained the age of at least 55 years and has credit for not less than ~~ten~~ *five* years of coverage in the local government correctional service plan is entitled, upon application, to a normal retirement annuity. ~~In lieu~~ *Instead* of a normal retirement annuity, a retiring employee may elect to receive the optional annuity provided in section 353.30, subdivision 3.

Sec. 28. Minnesota Statutes 1987 Supplement, section 353C.06, subdivision 3, is amended to read:

Subd. 3. [ANNUITY AMOUNT.] The average salary as defined in subdivision 2, multiplied by two percent for each year of allowable service for the first ten years and 2.5 percent for each additional year of allowable service, *and pro rata for completed months less than a full year*, determines the amount of the normal annuity. If a person has earned allowable service in the public employees retirement association or the public employees police and fire fund for performing services other than those of a local

government correctional employee, the annuity representing such service must be computed in accordance with the coordinated formula under sections 353.29 and 353.30 or section 353.651, whichever applies.

Sec. 29. Minnesota Statutes 1987 Supplement, section 353C.06, subdivision 4, is amended to read:

Subd. 4. [ACCRUAL AND DURATION.] The annuity under this section begins to accrue as provided in section 353.29, subdivision 7, and ~~must be paid for an additional.~~ *The annuity is payable for the life of the recipient, or in accordance with the terms of any optional annuity form selected, and is payable for 84 full calendar months or to the first of the month following the month in which the employee becomes age 65, whichever occurs first. After a recipient has received the annuity calculated under this formula for 84 full calendar months or to the first of the month following the month in which the employee becomes age 65, whichever occurs first, the benefit must be recomputed in accordance with the coordinated formula in sections 353.29 and 353.30, except that if this amount, when added to the social security benefit based on ~~state~~ public service the employee is eligible to receive at that time, is less than the benefit payable under subdivision 3, the retired employee ~~must~~ is entitled to receive an amount payable under subdivision 3, less any amount payable from social security based on public service used in the benefit calculation. When an annuity is reduced under this subdivision, any percentage of adjustments that have been applied to the original annuity under section 11A.18, before the reduction, must be compounded and applied to the reduced annuity.*

Sec. 30. Minnesota Statutes 1987 Supplement, section 353C.07, is amended to read:

353C.07 [AUGMENTATION IN CERTAIN CASES.]

Subdivision 1. [AUGMENTATION FOR PRIOR SERVICE BENEFITS.] Unless prior service has been transferred or unless a combined service annuity under section 356.30 has been elected, an employee who becomes a local government correctional employee after being a member of the public employees retirement association or the public employees police and fire fund is covered under section 353.71, subdivision 2, with respect to that prior service.

Subd. 2. [DEFERRED ANNUITIES AUGMENTATION.] *The deferred annuity, if any, accruing under section 353.71 or 353C.06, must be computed as provided in section 353C.06, subdivision 3, on the basis of allowable service before the termination of correctional service and augmented as provided in this subdivision. The required reserves applicable to a deferred annuity or to an annuity for which a former correctional service employee was eligible, but had not applied, or to any deferred segment of an annuity must be determined as of the date on which the benefit begins to accrue and augmented by interest at the rate of three percent compounded annually from the first day of the month following the month in which the person ceased to be a correctional service employee to the first day of the month in which the annuity begins to accrue. If a person has more than one period of uninterrupted service, the required reserves related to each period must be augmented by interest under this subdivision. The sum of the augmented required reserves so determined is the present value of the annuity. "Uninterrupted service" has the meaning given it in section 353.71, subdivision 2. If a person repays a refund, the service restored by the repayment must be considered to be continuous with the next period*

of service for which the person has credit by the plan. The formula percentages used for each period of uninterrupted service must be those applicable to a new employee. The mortality table and interest assumption used to compute this annuity must be those in effect when the person files an application for the annuity. This subdivision shall not reduce the annuity otherwise payable under this chapter.

Sec. 31. Minnesota Statutes 1987 Supplement, section 353C.08, subdivision 5, is amended to read:

Subd. 5. [DISABILITY BENEFIT TERMINATION.] The disability benefit paid to a disabled local government correctional employee terminates at the end of the month in which the employee reaches age 62. If the disabled local government correctional employee is still disabled when the employee reaches age 62, the employee is deemed to be a retired employee and, if the employee had elected an optional annuity under subdivision 3, must receive an annuity in accordance with the terms of the optional annuity previously elected. If the employee had not elected an optional annuity under subdivision 3, the employee may elect either to receive a normal retirement annuity computed *on the coordinated formula* in the manner provided in section ~~353C.06~~ 353.29 or to receive an optional annuity as provided in section 353.30, subdivision 3, based on the same length of service as used in the calculation of the disability benefit. Election of an optional annuity must be made before attaining the age of 62 years. The reduction for retirement prior to age 65 as provided in section 353.30, subdivisions 1 and 1c, is not applicable. *The savings clause provision of section 353C.06, subdivision 4, is applicable.*

Sec. 32. Minnesota Statutes 1987 Supplement, section 353C.08, is amended by adding a subdivision to read:

Subd. 7. [COMBINED SERVICE DISABILITY BENEFIT.] *If the employee is entitled to receive a disability benefit as provided in subdivision 1 or 2 and has credit for less covered correctional service than the length of service upon which the correctional disability benefit is based, and also has credit for regular plan service, the employee is entitled to a disability benefit or deferred retirement annuity based on the regular plan service only for the service that, when combined with the correctional service, exceeds the number of years on which the correctional disability benefit is based. The disabled employee who also has credit for regular plan service must in all respects qualify under section 353.33 to be entitled to receive a disability benefit based on the regular plan service, except that the service may be combined to satisfy length of service requirements. Any deferred annuity to which the employee may be entitled based on regular plan service must be augmented as provided in section 353.71 while the employee is receiving a disability benefit under this section.*

Sec. 33. Minnesota Statutes 1987 Supplement, section 353D.05, subdivision 2, is amended to read:

Subd. 2. [INVESTMENT OPTIONS.] (a) An individual participant may elect to purchase shares in the income share account, the growth share account, the money market account, the bond market account, or the common stock index account established by section 11A.17, or a combination of those accounts. The participant may elect to purchase shares in a combination of those accounts by specifying the percentage of contributions to be used to purchase shares in each of the accounts.

(b) Twice in a calendar year, a participant may indicate in writing a choice of options for subsequent purchases of shares. ~~Thereafter~~ *After a choice is made*, until the participant makes a different written indication, the executive director of the association shall purchase shares in the supplemental investment fund or funds specified by the participant. If no initial option is indicated by a participant, the executive director shall invest all contributions made by or on behalf of a participant in the income share account. A choice of investment options is effective no later than the first pay date ~~first~~ occurring more than 30 days after receipt of the written choice of options.

(c) Twice in a calendar year, a participant or former participant may also change the investment options selected for all or a portion of the individual's previously purchased shares. If a partial transfer of previously purchased shares is selected, a minimum of \$500 ~~\$200~~ must be transferred and a minimum balance of \$500 ~~\$200~~ must remain in the previously selected investment option. A change may be made only from one account or a combination of accounts to a single account. A change under this paragraph is effective as soon as cash flow to an account permits, but not later than six months from the requested change.

Sec. 34. Minnesota Statutes 1987 Supplement, section 353D.07, subdivision 1, is amended to read:

Subdivision 1. [TYPE OF PLAN; UNIFORMITY.] The plan is a defined contribution plan ~~where~~ *when* the benefits ~~are~~ payable upon *termination of service, retirement, or death, or withdrawal when permitted, are*. *The amount of benefits is* determined by the value of accumulated contributions plus a proportionate share of investment income of the fund credited to each individual account. Each ambulance service shall determine eligibility for participation subject to terms of this act. Eligibility standards must be uniform among all ambulance service personnel of an ambulance service electing to participate.

Sec. 35. Minnesota Statutes 1987 Supplement, section 353D.07, subdivision 2, is amended to read:

Subd. 2. [AGE; VESTING PAYMENT OF BENEFITS.] ~~Normal retirement age is 50 years. Early retirement is not allowed. Sixty months of service credit are required for vesting of retirement benefits. No minimum period of service is required for vesting of death benefits. Withdrawal of or a retirement benefit based on member contributions and employer contributions plus accrued investment income vests is payable immediately upon the death or termination of an active member for a period that exceeds 30 days. Upon completion of 60 months of service under the plan with one or more ambulance services, a participant terminating active service prior to age 50 is entitled to receive the value of the participant's individual account upon or after attaining age 50. An application by or on behalf of the participant must be filed before any payment of benefits may be made.~~

Sec. 36. Minnesota Statutes 1987 Supplement, section 353D.07, subdivision 4, is amended to read:

Subd. 4. [DISABILITY OR DEATH OF A MEMBER.] ~~No disability coverage shall be provided by the plan. In the event of the death of an active participant with any credited service or a deferred participant under age 50, the total value of the account shall must be paid in a lump sum to the designated beneficiary or, if none, the heirs at law of the decedent.~~

Sec. 37. Minnesota Statutes 1987 Supplement, section 353D.08, is amended to read:

353D.08 [PORTABILITY.]

Qualified ambulance service personnel who change employment or membership among participating ambulance services ~~may must~~ continue participation in the plan ~~without penalty or forfeiture after their interest vests. Qualified ambulance service personnel who change employment or membership to a nonparticipating ambulance service are not subject to the forfeiture required by section 353D.07, subdivision 5 if termination from one participating ambulance service and commencement in another participating ambulance service occur within 30 days.~~

Sec. 38. Minnesota Statutes 1987 Supplement, section 356.302, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (a) The terms used in this section are defined in this subdivision.

(b) "Average salary" means the highest average of covered salary for the appropriate period of credited service that is required for the calculation of a disability benefit by the covered retirement plan and that is drawn from any period of credited service and *successive years of covered salary* in a covered retirement plan.

(c) "Covered retirement plan" or "plan" means a retirement plan listed in subdivision 7.

(d) "Duty-related" means a disabling illness or injury that occurred while the person was actively engaged in employment duties or that arose out of the person's active employment duties.

(e) "General employee retirement plan" means a covered retirement plan listed in subdivision 7, clauses (1) to (8).

(f) "Occupationally disabled" means ~~the condition of~~ having ~~any~~ a medically determinable physical or mental impairment that makes a person unable to satisfactorily perform the minimum requirements of the person's employment position or a substantially similar employment position.

(g) "Public safety employee retirement plan" means a covered retirement plan listed in subdivision 7, clauses (9) to (11).

(h) "Totally and permanently disabled" means ~~the condition of~~ having ~~any~~ a medically determinable physical or mental impairment that makes a person unable to engage in any substantial gainful activity and that is expected to continue or has continued for a period of at least one year or that is expected to result directly in the person's death.

Sec. 39. Minnesota Statutes 1987 Supplement, section 356.302, subdivision 3, is amended to read:

Subd. 3. [GENERAL EMPLOYEE PLAN ELIGIBILITY REQUIREMENTS.] A disabled member of a covered retirement plan who has credit for allowable service in a combination of general employee retirement plans is entitled to a combined service disability benefit if the member:

(1) is less than 65 years of age on the date of application for the disability benefit;

(2) has become totally and permanently disabled;

(3) has credit for allowable service in any combination of general employee retirement plans totaling ~~at least ten years if the person has not reached age 50 or~~ at least five years if the person has reached age 50;

(4) has credit for at least six months of allowable service with the current general employee retirement plan before the commencement of the disability;

(5) has at least five continuous years of allowable service credit by the general employee retirement plan or has at least a total of five years of allowable service credit by a combination of general employee retirement plans in a 72-month period during which no interruption of allowable service credit from a termination of employment exceeded 29 days; and

(6) is not receiving a retirement annuity or disability benefit from any covered general employee retirement plan at the time of the commencement of the disability.

Sec. 40. [ELECTION TO RESUME RETIREMENT COVERAGE.]

A person employed by a public hospital as defined in section 355.71, subdivision 3, who exercised an option under Laws 1963, chapter 793, section 3, subdivision 5, between July 1, 1963, and June 30, 1967, to terminate membership in the coordinated program of the public employees retirement association may elect to resume that membership. The election to resume membership must be made before October 1, 1988, on a form prescribed by the executive director of the public employees retirement association. Resumption of membership begins as of the first day of the first full pay period after the election is filed with the executive director.

Sec. 41. [REPEALER.]

Minnesota Statutes 1987 Supplement, section 353D.07, subdivision 5, is repealed.

Sec. 42. [EFFECTIVE DATE.]

Section 12 is effective March 1, 1988. Section 21 is effective January 1, 1988. The remaining sections are effective July 1, 1988.

ARTICLE 3 MEDICARE COVERAGE REFERENDUM

Section 1. [355.90] [OPTIONAL MEDICARE COVERAGE FOR CERTAIN PRE-1986 PUBLIC EMPLOYEES.]

Subdivision 1. [DEFINITIONS.] (a) Notwithstanding any provision of section 355.01 to the contrary, the terms used in this section are defined in this subdivision.

(b) "Employee" means an active member or participant of a public employee pension plan listed in section 356.30, subdivision 3, clauses (5), (6), (7), (9), (10), (11), and (12), who is not covered by a previous agreement under section 355.02 for that employment and who meets the requirements of United States Code, title 42, section 418(v)(2).

(c) "Employment" means service performed for compensation by an employee in the employ of the state or of a political subdivision that constitutes Medicare qualified government employment under the provisions of United States Code, title 42, section 410(p).

(d) "Political subdivision" means a public employer under section 355.01, subdivision 10.

(e) "Social Security Act" means the act cited in section 355.01, subdivision 8.

(f) "State agency" means the commissioner of employee relations or the commissioner's designee.

(g) "Wages" means compensation specified in section 355.01, subdivision 2.

Subd. 2. [OPTIONAL MEDICARE COVERAGE AGREEMENT.] The state agency, with the approval of the governor, may modify its agreement on behalf of the state and its political subdivisions with the Secretary of Health and Human Services to extend the provisions of United States Code, title 42, sections 426, 426-1, and 1395c, to current employees of the state and its political subdivisions who do not have that coverage through coverage by the federal old age, survivors, and disability insurance program for that employment under any previous agreement or modification of the agreement.

Subd. 3. [REFERENDUM.] A referendum on the question of extending the provisions of United States Code, title 42, sections 426, 426-1, and 1395c, must be held for each public employee pension plan listed in section 356.30, subdivision 3, except clauses (5) and (6), that has current members or participants who do not have coverage by the federal old age, survivors, and disability insurance program for the employment giving rise to that pension plan membership. The state agency shall supervise the referendum in accordance with United States Code, title 42, section 418, on the date or dates set by the governor for each pension plan. The notice of the referendum provided to each employee must contain a statement sufficient to inform the person of the rights available to the person as an employee in Medicare qualified government employment and the employee contribution rates applicable to the program. The referendum is approved if a majority of the members or participants indicate their desire to have the coverage on a form prescribed by the state agency. If the referendum is approved, the governor shall certify that fact to the Secretary of Health and Human Services, and the coverage is effective for all members or participants of the plan on the first of the month after the certification unless the participant or member elects coverage effective retroactively to April 1, 1986.

Subd. 4. [EMPLOYEE AND EMPLOYER CONTRIBUTIONS.] (a) If the referendum is approved, beginning on the first of the month after the certification of approval by the governor, the employer of each member or participant covered by the referendum shall deduct from the wages of the employee an amount equal to the tax that would be imposed under United States Code, title 26, section 3101(b), if the services of the employee for which wages were paid constituted employment as defined in United States Code, title 26, section 3121.

(b) In addition to the deduction specified in paragraph (a), the employer of each member or participant covered by the referendum shall also pay an amount equal to the tax that would be imposed under United States Code, title 26, section 3111(b), on the same wage base specified in paragraph (a).

(c) The amounts under paragraphs (a) and (b) shall be paid by the employer to the Secretary of the Treasury in the manner required by the secretary.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment.

ARTICLE 4
INDIVIDUAL RETIREMENT ACCOUNT PLAN

Section 1. Minnesota Statutes 1986, section 354.05, is amended by adding a subdivision to read:

Subd. 2a. [EXCEPTIONS.] Notwithstanding subdivision 2, a person who is employed as a teacher in the state university system or the state community college system after June 30, 1989, is not a member of the fund unless the person is covered by section 4, subdivision 2, and has exercised an option under that subdivision to remain a member of the fund.

Sec. 2. Minnesota Statutes 1986, section 354.50, subdivision 1, is amended to read:

Subdivision 1. When ~~any~~ a member accepts a refund provided in section 354.49 or elects to transfer to the individual retirement account plan established by sections 3 to 8, all existing service credits to which the member was entitled ~~prior to before~~ the acceptance of ~~such~~ the refund ~~shall~~ or the transfer terminate ~~and shall~~. For a member who accepted a refund, service credits may not again be restored until the former member acquires not less than two years allowable service credit subsequent to taking the last refund. In that event the former member may repay ~~such~~ the refund. If more than one refund has been taken, all refunds must be repaid.

Sec. 3. [354B.01] [DEFINITIONS.]

Subdivision 1. [PLAN.] "Plan" means the individual retirement account plan established by sections 3 to 8.

Subd. 2. [COVERED EMPLOYMENT, STATE UNIVERSITIES.] "Covered employment," with respect to employment by the state university system, means employment in a position included in the definition of teacher under section 354.05, subdivision 2, other than that of an administrator covered by or eligible for coverage in the Minnesota state retirement system unclassified employees retirement plan.

Subd. 3. [COVERED EMPLOYMENT, COMMUNITY COLLEGES.] "Covered employment," with respect to employment by the community college system, means employment in a position included in the definition of teacher under section 354.05, subdivision 2.

Sec. 4. [354B.02] [COVERED PERSONS.]

Subdivision 1. [PLAN PARTICIPANTS.] The following persons shall participate in the plan:

(1) a person, other than a person covered by subdivision 2, who was first employed in covered employment after June 30, 1989; or

(2) a person who was first employed in covered employment before July 1, 1989, and who transferred retirement coverage to the plan under section 5.

Subd. 2. [PERSONS WITH CERTAIN PRIOR SERVICE.] A person with prior service as a member of the teachers retirement association other than in covered employment under section 3, subdivision 2 or 3, who is first employed in covered employment after June 30, 1989, may, at the

person's option remain a member of the teacher's retirement association or participate in the plan.

Sec. 5. [354B.03] [COVERAGE TRANSFER.]

(a) A person who was first employed in covered employment before July 1, 1989, or a person covered by section 4, subdivision 2, may elect to transfer retirement coverage to the plan.

(b) If a person elects a transfer, the executive director of the teachers retirement association shall transfer from the teachers retirement fund to the plan the person's member contributions and an equal amount representing the matching employer contributions plus interest compounded annually at the rates established by the board of trustees for the purpose of determining retirement annuities under section 354.44, subdivision 2, but not to exceed eight percent a year. The transfer must be made within 90 days from the date that the executive director receives notification of the election. The employer contribution transfer may not include any amount representing an employer additional contribution, nor may it include any money representing the repayment of a refund received by the association after the date of enactment of this act.

(c) A transfer to the plan under this section is a transfer to the financial institution that will administer the account of the person electing the transfer, and must be made through the governing board of the system in which the person is employed in covered employment. No amount may be distributed to the person electing the transfer.

Sec. 6. [354B.04] [CONTRIBUTIONS.]

Subdivision 1. [MEMBER CONTRIBUTIONS.] Persons in covered employment shall make a member contribution in an amount equal to the amount prescribed by section 354.42, subdivision 2. The contribution must be made by payroll deduction each pay period.

Subd. 2. [EMPLOYER CONTRIBUTIONS.] The employer of persons in covered employment shall make an employer contribution in an amount equal to the amount prescribed by section 354.42, subdivision 3, and shall continue to make an additional employer contribution to the teachers retirement association in an amount equal to the amount prescribed by section 354.42, subdivision 5.

Subd. 3. [MANNER OF EMPLOYER CONTRIBUTIONS.] The employer of persons in covered employment shall make employer contributions from any available revenue sources. The employer contribution must be made each pay period.

Sec. 7. [354B.05] [ADMINISTRATION.]

Subdivision 1. [GOVERNING BOARDS.] The state university board shall administer the plan for persons in covered employment under section 3, subdivision 2. The community college board shall administer the plan for persons in covered employment under section 3, subdivision 3.

Subd. 2. [PURCHASE OF CONTRACTS.] The state university board and the community college board shall arrange for the purchase of annuity contracts, fixed, variable, or a combination of fixed and variable, or custodial accounts to provide retirement and death benefits to members of the plan. The contracts or accounts must be purchased with money transferred to the plan under section 5, contributions under section 6, or money

or assets otherwise provided by law or by authority of the state university board or community college board and acceptable by the financial institutions from which the contracts or accounts are purchased.

Subd. 3. [SELECTION OF FINANCIAL INSTITUTIONS.] *The state university board and the community college board shall select no more than three financial institutions to provide annuity contracts or custodial accounts. Investment programs offered by the institutions must meet the requirements of section 401(a) or 403(b) of the Internal Revenue Code of 1986, as amended. In making their selections, the boards shall consider these criteria:*

(1) the experience and ability of the financial institution to provide retirement and death benefits suited to the needs of the covered employees;

(2) the relationship of the benefits to their cost; and

(3) the financial strength and stability of the institution.

Subd. 4. [BENEFITS OWNED BY MEMBERS.] *The retirement and death benefits provided by the annuity contracts or custodial accounts are owned by the members of the plan and must be paid in accordance with the provisions of the annuity contracts or custodial accounts.*

Sec. 8. [TRANSFER LIMITATION.]

The coverage transfer election authorized by section 5 may first be exercised on July 1, 1989, and must be exercised before June 30, 1991.

Sec. 9. Minnesota Statutes 1986, section 356.24, is amended to read:

356.24 [SUPPLEMENTAL PENSION OR DEFERRED COMPENSATION PLANS, RESTRICTIONS UPON GOVERNMENT UNITS.]

It is unlawful for a school district or other governmental subdivision or state agency to levy taxes for, or contribute public funds to a supplemental pension or deferred compensation plan ~~which that~~ is established, maintained, and operated in addition to a primary pension program for the benefit of the governmental subdivision employees other than to a supplemental pension plan ~~which that~~ was established, maintained and operated ~~prior to before~~ May 6, 1971, to ~~any~~ a plan ~~which that~~ provides solely for group health, hospital, disability, or death benefits, ~~to the individual retirement account plan established by sections 3 to 8, or to any a plan which that~~ provides solely for severance pay as authorized ~~pursuant to~~ by section 465.72 to a retiring or terminating employee. No change in benefits or employer contributions in any plan to which this section applies after May 6, 1971 ~~shall be~~, is effective without prior legislative authorization.

Sec. 10. [EFFECTIVE DATE.]

Sections 1 to 9 are effective July 1, 1988.

ARTICLE 5 AGE-62 RETIREMENT; FORMULA CHANGE

Section 1. Minnesota Statutes 1987 Supplement, section 352.115, subdivision 3, is amended to read:

Subd. 3. [RETIREMENT ANNUITY FORMULA.] The employee's average salary, as defined in subdivision 2, multiplied by ~~one percent per year of allowable service for the first ten years and~~ 1.5 percent for each later year of allowable service and pro rata for completed months less than a

full year ~~shall determine~~ *determines* the amount of the retirement annuity to which the employee is entitled.

Sec. 2. Minnesota Statutes 1987 Supplement, section 352.116, subdivision 2, is amended to read:

Subd. 2. [NORMAL ANNUITY AT AGE 65 62.] ~~Any~~ *An* employee who retires after age 65 ~~shall be paid~~ *is entitled to* the annuity provided in section 352.115.

Sec. 3. Minnesota Statutes 1987 Supplement, section 353.29, subdivision 1, is amended to read:

Subdivision 1. [AGE AND ALLOWABLE SERVICE REQUIREMENTS.] Upon separation from public service ~~any~~, a person who has attained ~~the at least age of at least 65 years~~ 62 and who received credit for not less than five years of allowable service is entitled upon application to a "normal" retirement annuity. ~~Such retirement annuity is known as the "normal" retirement annuity.~~

Sec. 4. Minnesota Statutes 1986, section 353.29, subdivision 3, is amended to read:

Subd. 3. [RETIREMENT ANNUITY FORMULA.] The average salary, as defined in subdivision 2, multiplied by two percent for each year of allowable service for the first ten years and ~~thereafter~~, *after ten years*, by 2.5 percent ~~per for each~~ year of allowable service and completed months less than a full year for the "basic member,"; and ~~one percent for each year of allowable service for the first ten years and thereafter~~ by 1.5 percent ~~per for each~~ year of allowable service and completed months less than a full year for the "coordinated member," ~~shall determine~~ *determines* the amount of the "normal" retirement annuity.

Sec. 5. Minnesota Statutes 1986, section 354.44, subdivision 6, is amended to read:

Subd. 6. [COMPUTATION OF FORMULA PROGRAM RETIREMENT ANNUITY.] ~~(1)~~ *(a)* The formula retirement annuity ~~hereunder shall must~~ be computed in accordance with ~~the applicable provisions of the formula stated in clause (2) hereof~~ *paragraph (b)* on the basis of each member's average salary for the period of the member's formula service credit. For the purposes of computing the formula benefits under the formula and variable program, if a combination of these formulas is used, the formula percentages used ~~will must~~ be those percentages in each formula as continued for the respective years of service from one formula to the next.

For all years of formula service credit, "average salary," for the purpose of determining the member's retirement annuity, means the average salary upon which contributions were made and upon which payments were made to increase the salary limitation provided in Minnesota Statutes 1971, section 354.511, for the highest five successive years of formula service credit ~~provided however that such~~. "Average salary" ~~shall may~~ not include any more than the equivalent of 60 monthly salary payments.

~~(2)~~ *(b)* The average salary as defined in ~~clause (1) paragraph (a)~~, multiplied by the following percentages per year of formula service credit ~~shall determine~~, *determines* the amount of the annuity to which the member qualifying ~~therefor for an annuity~~ is entitled:

	Coordinated Member	Basic Member
Each year of service during first ten	1.0 1.5 percent per year	2.0 percent per year
Each year of service thereafter after ten years	1.5 percent per year	2.5 percent per year

(3) ~~Where any (c) When a member retires prior to before age 65 62~~ under a formula annuity, the member ~~shall be paid is entitled to~~ a retirement annuity in an amount equal to the normal annuity provided in this subdivision and subdivision 7, reduced by ~~one half of one percent for each month that the member is under age 65 to and including age 60 and reduced by one fourth of one percent for each month under age 60 at the time of retirement except that for any member who has 30 or more years of allowable service credit, the reduction shall be applied only for each month which the member is under so that the reduced annuity is the actuarial equivalent of the annuity that would be payable to the member if the member deferred receipt of the annuity from the day the annuity begins to accrue to age 62.~~

Sec. 6. Minnesota Statutes 1986, section 354A.31, subdivision 4, is amended to read:

Subd. 4. [COMPUTATION OF THE NORMAL COORDINATED RETIREMENT ANNUITY.] The normal coordinated retirement annuity ~~shall be is~~ an amount equal to a retiring coordinated member's average salary multiplied by the retirement annuity formula percentage. Average salary for purposes of this section ~~shall mean means~~ an amount equal to the average salary upon which contributions were made for the highest five successive years of service credit, but ~~which shall may~~ not in any event include ~~any~~ more than the equivalent of 60 monthly salary payments. The retirement annuity formula percentage for purposes of this section ~~shall mean one percent per year for each year of coordinated service for the first ten years and means 1-1/2 percent for each year of coordinated service thereafter.~~

Sec. 7. Minnesota Statutes 1987 Supplement, section 354A.31, subdivision 5, is amended to read:

Subd. 5. [UNREDUCED NORMAL RETIREMENT ANNUITY.] Upon retirement at age 65 62 with at least five years of service credit ~~or at age 62 with at least 30 years of service credit~~, a coordinated member ~~shall be is~~ entitled to a normal retirement annuity calculated ~~pursuant to under~~ subdivision 4.

Sec. 8. [356.72] [BENEFIT AND CONTRIBUTION PHASE-IN.]

Subdivision 1. [BENEFIT PHASE-IN.] (a) Notwithstanding sections 352.115, subdivision 3; 353.29, subdivision 3; 354.44, subdivision 6; and 354A.31, subdivision 4, the average salary of a person retiring in the following years must be multiplied by the following percentages for each of the first ten years of the person's service: 1.1 percent in 1989, 1.2 percent in 1990, 1.3 percent in 1991, 1.4 percent in 1992, and 1.5 percent beginning in 1993.

(b) Notwithstanding section 354.44, subdivision 7, the average salary of a person retiring in the following years for formula service must be multiplied by the following percentages for each of the first ten years of the person's service: 0.55 percent in 1989, 0.60 percent in 1990, 0.65

percent in 1991, 0.70 percent in 1992, and 0.75 percent beginning in 1993.

Subd. 2. [CONTRIBUTION AMOUNT AND PHASE-IN.] (a) Notwithstanding sections 352.04, subdivisions 2 and 3; 353.27, subdivisions 2 and 3; 354.42, subdivisions 2 and 3; and 354A.12, subdivisions 1 and 2, the employee contribution rate must be increased by one-half of the net percentage of covered payroll increase in the normal cost and supplemental contribution requirement attributable to this act for the applicable benefit program, and the employer contribution rate must be increased by an identical percentage of covered payroll amount. The executive director of each pension plan shall determine these amounts from the first regular actuarial valuation of the plan after the date of enactment as prepared by the actuary retained by the legislative commission on pensions and retirement.

(b) The increased employee and employer contribution rates must be phased in beginning July 1, 1989, in three equal installments.

Sec. 9. [EFFECTIVE DATE.]

Sections 1 to 8 are effective July 1, 1989.

ARTICLE 6 CONFORMING AMENDMENTS

Section 1. Minnesota Statutes 1987 Supplement, section 352.01, subdivision 2b, is amended to read:

Subd. 2b. [EXCLUDED EMPLOYEES.] "State employee" does not include:

- (1) elective state officers;
- (2) students employed by the University of Minnesota, the state universities, and community colleges unless approved for coverage by the board of regents, the state university board, or the state board for community colleges, as the case may be;
- (3) employees who are eligible for membership in the state teachers retirement association except employees of the department of education who have chosen or may choose to be covered by the Minnesota state retirement system instead of the teachers retirement association;
- (4) employees of the University of Minnesota who are excluded from coverage by action of the board of regents;
- (5) officers and enlisted personnel in the national guard and the naval militia who are assigned to permanent peacetime duty and who under federal law are or are required to be members of a federal retirement system;
- (6) election officers;
- (7) persons engaged in public work for the state but employed by contractors when the performance of the contract is authorized by the legislature or other competent authority;
- (8) officers and employees of the senate and house of representatives or a legislative committee or commission who are temporarily employed;
- (9) court employees, referees, receivers, jurors, and notaries public, except employees of the appellate courts and referees and adjusters employed by the department of labor and industry;
- (10) patient and inmate help in state charitable, penal, and correctional

institutions including the Minnesota veterans home;

(11) persons employed for professional services where the service is incidental to regular professional duties and whose compensation is paid on a per diem basis;

(12) employees of the Sibley House Association;

(13) employees of the Grand Army of the Republic and employees of the ladies of the G.A.R.;

(14) operators and drivers employed under section 16.07, subdivision 4;

(15) the members of ~~any~~ a state board or commission who serve the state intermittently and are paid on a per diem basis; the secretary, secretary-treasurer, and treasurer of those boards if ~~their~~ the compensation of the officer is \$500 or less per a year, or, if ~~they are~~ the officer is legally prohibited from serving more than two consecutive terms and ~~their~~ the officer's total service on the board or commission is required by law to be less than ten years; and the board of managers of the state agricultural society and its treasurer unless the treasurer is also its full-time secretary;

(16) state troopers;

(17) temporary employees of the Minnesota state fair agricultural society employed on or after July 1 for a period not to extend beyond October 15 of that year; and persons employed at ~~any time~~ by the state fair administration for special events held on the fairgrounds;

(18) emergency employees in the classified service; except that if an emergency employee, within the same pay period, becomes a provisional or probationary employee on other than a temporary basis, the employee ~~shall be~~ is considered a "state employee" retroactively to the beginning of the pay period;

(19) persons described in section 352B.01, subdivision 2, clauses (b) and (c), formerly defined as state police officers;

(20) temporary employees in the classified service, temporary employees in the unclassified service appointed for a definite period of not more than six months and employed less than six months in any one-year period, and seasonal help in the classified service employed by the department of revenue;

(21) trainees paid under budget classification number 41, and other trainee employees, except those listed in subdivision 2a, clause (10);

(22) persons whose compensation is paid on a fee basis;

(23) state employees who in any year have credit for 12 months service as teachers in the public schools of the state and *who*, as teachers, are members of the teachers retirement association or a retirement system in St. Paul, Minneapolis, or Duluth;

(24) employees of the adjutant general employed on an unlimited intermittent or temporary basis in the classified and unclassified service for the support of army and air national guard training facilities;

(25) chaplains and nuns who have taken a vow of poverty as members of a religious order;

(26) labor service employees employed as a laborer 1 on an hourly basis;

(27) examination monitors employed by departments, agencies, commissions, and boards to conduct examinations required by law;

(28) members of appeal tribunals, exclusive of the chair, to which reference is made in section 268.10, subdivision 4;

(29) persons appointed to serve as members of fact-finding commissions or adjustment panels, or as arbitrators, or labor referees under chapter 179;

(30) temporary employees employed for limited periods under ~~any~~ a state or federal program for training or rehabilitation, including persons employed for limited periods from areas of economic distress except skilled and supervisory personnel and persons having civil service status covered by the system;

(31) full-time students employed by the Minnesota historical society intermittently during part of the year and full-time during the summer months;

(32) temporary employees, appointed for not more than six months, of the metropolitan council ~~and of any of its statutory boards, if or of a metropolitan agency the board~~ members of which are appointed by the metropolitan council;

(33) persons employed in positions designated by the department of employee relations as student workers;

(34) ~~any a~~ person who is ~~65 years~~ of age 62 or older when appointed and who does not have allowable service credit for previous employment, unless the employee gives notice to the director within 60 days after appointment that coverage is desired;

(35) members of trades employed *after June 1, 1977*, by the metropolitan waste control commission with trade union pension plan coverage under a collective bargaining agreement ~~first employed after June 1, 1977~~;

(36) persons employed in subsidized on-the-job training, ~~work experience work-experience~~, or ~~public service public-service~~ employment as enrollees under the federal Comprehensive Employment and Training Act after March 30, 1978, unless the ~~person has~~ *persons have*, as of the later of March 30, 1978, or the date of employment, sufficient service credit in the retirement system to meet the minimum vesting requirements for a deferred annuity, or the employer agrees in writing on forms prescribed by the director to make the required employer contributions, including ~~any~~ employer additional contributions, on account of ~~that person the persons~~ from revenue sources other than funds provided under the federal Comprehensive Employment and Training Act, or the ~~person agrees~~ *persons agree* in writing on forms prescribed by the director to make the required employer contribution in addition to the required employee contribution;

(37) off-duty peace officers while employed by the metropolitan transit commission under section 629.40, subdivision 5; and

(38) persons who are employed as full-time firefighters by the department of military affairs and as firefighters are members of the public employees police and fire fund.

Sec. 2. Minnesota Statutes 1987 Supplement, section 352.01, subdivision 19, is amended to read:

Subd. 19. [RETIREMENT.] "Retirement" means the time after a state

employee is entitled to an accrued annuity, as defined in subdivision 21, payable under an application for annuity filed in the office of the system as provided in section 352.115, subdivision 8, or, in the case of an employee who has received a disability benefit, when that employee reaches age 65 62.

Sec. 3. Minnesota Statutes 1987 Supplement, section 352.113, subdivision 1, is amended to read:

Subdivision 1. [AGE AND SERVICE REQUIREMENTS.] ~~Any~~ An employee covered by the system who is less than 65 years old ~~age 62~~ who becomes totally and permanently disabled after five or more years of allowable service is entitled to a disability benefit in an amount provided in subdivision 3. If the disabled employee's state service has terminated at any time, the employee must have at least three years of allowable service after last becoming a state employee covered by the system.

Sec. 4. Minnesota Statutes 1987 Supplement, section 352.113, subdivision 3, is amended to read:

Subd. 3. [COMPUTATION OF BENEFITS.] The total and permanent disability benefit must be computed in the manner provided in section 352.115. The disability benefit ~~shall be~~ is the normal annuity without reduction for each month the employee is under age 65 62 at the time of becoming disabled. A disabled employee may choose to receive the normal disability benefit or an optional annuity as provided in section 352.116, subdivision 3. This choice must be made before the start of payment of the disability benefit and is effective the date on which the disability begins to accrue as ~~provided in~~ under subdivision 2.

Sec. 5. Minnesota Statutes 1987 Supplement, section 352.113, subdivision 4, is amended to read:

Subd. 4. [MEDICAL EXAMINATIONS; AUTHORIZATION FOR PAYMENT OF BENEFIT.] An applicant shall provide medical evidence to support an application for total and permanent disability. The director shall have the employee examined by at least one additional licensed physician designated by the medical advisor. The physicians shall make written reports to the director concerning the employee's disability including medical opinions as to whether the employee is permanently and totally disabled within the meaning of section 352.01, subdivision 17. The director shall also obtain written certification from the employer stating whether the employee is on sick leave of absence because of a disability that will prevent further service to the employer and, as a consequence, the employee is not entitled to compensation from the employer. The medical advisor shall consider the reports of the physicians and any other evidence supplied by the employee or other interested parties. If the medical advisor finds the employee totally and permanently disabled, the advisor shall make ~~appropriate~~ a written recommendation to the director ~~in writing together with~~, including the date from which the employee has been totally disabled. The director shall then determine the propriety of authorizing payment of a disability benefit as ~~provided in~~ under this section. The employee must be on approved leave of absence from the employer to be eligible to apply for a total and permanent disability benefit, but the ~~fact that an employee is placed~~ *employee's placement* on leave of absence without compensation because of disability does not bar ~~that the~~ employee from receiving a disability benefit. Unless payment of a disability benefit has terminated because the employee is no longer totally disabled, or because the employee has reached age 65 62 as

provided in this section, the disability benefit ~~shall cease~~ *ceases* with the last payment received by the disabled employee or ~~which that~~ had accrued during the lifetime of the employee unless there is a *surviving spouse surviving; in that event*. *If there is a surviving spouse, the surviving spouse is entitled to the disability benefit for the calendar month in which the disabled employee died.*

Sec. 6. Minnesota Statutes 1987 Supplement, section 352.113, subdivision 10, is amended to read:

Subd. 10. [EMPLOYEE AGAIN DISABLED AFTER RESUMING EMPLOYMENT.] If a disabled employee resumes gainful employment with the state and is not entitled to continued payment of a disability benefit as provided in subdivision 7, the right to a disability benefit ends when the employee has been employed for one year ~~thereafter~~. *If the employee again becomes totally and permanently disabled before reaching age 65 62, the employee may again make an application for a disability benefit may again be made.* If the employee is entitled to a disability benefit, it must be computed ~~as provided in~~ *under* subdivision 9.

Sec. 7. Minnesota Statutes 1987 Supplement, section 352.113, subdivision 12, is amended to read:

Subd. 12. [RETIREMENT STATUS AT AGE 65 62.] The disability benefit paid to a disabled employee under this section ends when the employee reaches age 65 62. If the disabled employee is still totally and permanently disabled when the employee reaches age 65 62, the employee ~~shall be~~ *is* considered to be a retired employee. If the employee had chosen an optional annuity under subdivision 3, the employee ~~shall receive~~ *is entitled to* an annuity in accordance with the terms of the optional annuity previously chosen. If the employee had not chosen an optional annuity ~~pursuant to~~ *under* subdivision 3, the employee may ~~then~~ choose to receive either a normal retirement annuity equal in amount to the disability benefit paid before the employee reached age 65 62 or an optional annuity ~~as provided in~~ *under* section 352.116, subdivision 3. The choice of an optional annuity must be made before ~~reaching the employee reaches~~ *age 65 62*. If an optional annuity is chosen, the choice is effective on the date the employee ~~becomes 65 years old reaches age 62, and the optional annuity shall begin~~ *begins* to accrue the first of the month following the month in which the employee attains ~~65~~ *age 62*.

Sec. 8. Minnesota Statutes 1987 Supplement, section 352.115, subdivision 2, is amended to read:

Subd. 2. [AVERAGE SALARY.] The retirement annuity ~~hereunder~~ *under this section* payable ~~at on or after age 65 or thereafter 62~~ must be computed in accordance with the ~~applicable provisions of~~ *the formula stated* in subdivision 3, on the basis of the employee's average salary for the period of allowable service. ~~This~~ *The* retirement annuity is known as the "normal" retirement annuity.

For each year of allowable service, *the* "average salary" of an employee in determining a retirement annuity means the average of the highest five successive years of salary upon which the employee has made contributions to the retirement fund by payroll deductions.

"Average salary" does not include the payment of accrued unused annual leave or overtime paid at time of final separation from state service if paid in a lump sum, nor does it include ~~the any~~ *any* reduced salary; ~~if any,~~ paid

during the period while the employee is entitled to workers' compensation benefit payments for temporary disability.

Sec. 9. Minnesota Statutes 1987 Supplement, section 352.116, subdivision 1, is amended to read:

Subdivision 1. [REDUCED ANNUITY BEFORE AGE 65 62.] ~~Any An~~ employee who retires before age 65 62 with credit for less than 30 years of allowable service ~~shall be paid is entitled~~ to the normal retirement annuity provided in ~~under~~ section 352.115, subdivisions 2 and 3, reduced so that the reduced annuity is the actuarial equivalent of the annuity that would be payable to the employee if the employee deferred receipt of the annuity from the day the annuity begins to accrue to age 65. ~~Any employee who retires prior to age 62 with credit for at least 30 years of allowable service shall be paid the normal retirement annuity provided in section 352.115, subdivisions 2 and 3, reduced so that the reduced annuity is the actuarial equivalent of the annuity that would be payable to the employee if the employee deferred receipt of the annuity from the day the annuity begins to accrue to age 62.~~

Sec. 10. Minnesota Statutes 1987 Supplement, section 352.72, subdivision 5, is amended to read:

Subd. 5. [EARLY RETIREMENT.] The requirements and provisions for retirement before age 65 62 in sections 352.115, subdivision 1, and 352.116 also apply to an employee fulfilling the requirements with a combination of service as provided in subdivision 1.

Sec. 11. Minnesota Statutes 1987 Supplement, section 352.91, subdivision 3, is amended to read:

Subd. 3. [FARMING AND TEACHING.] (a) "Covered correctional service" includes service rendered before July 1, 1973, in a classification of farmer or farm manager by an employee employed in a covered correctional position on July 1, 1973. Services performed before July 1, 1974, in a classification defined in subdivisions 1, clauses (1) and (2), and 2 by an employee in a covered correctional position on or after July 1, 1974, are covered correctional service and apply to employees retiring after July 1, 1974.

(b) The portion of the retirement benefit payable to ~~any~~ a special teacher who was covered by the correctional plan under subdivision 2 and who retires after July 1, 1974, ~~which is~~ based on service rendered before July 1, 1974, if that service was covered by the state teachers retirement basic formula, must be at least the benefit determined using the basic formula and ~~must may~~ never be less than the benefit that would have been payable on the service under the basic formula adjusted for the number of months the employee is under age 65 62 at date of retirement. *The benefit must be determined under chapter 354.*

Sec. 12. Minnesota Statutes 1987 Supplement, section 352.95, subdivision 5, is amended to read:

Subd. 5. [RETIREMENT STATUS AT AGE 65 62.] The disability benefit paid to a disabled correctional employee under this section ~~shall terminate~~ terminates at the end of the month in which the employee reaches age 62. If the disabled correctional employee is still disabled when the employee reaches age 62, the employee ~~shall be is~~ deemed to be a retired employee. If the employee had elected an optional annuity under subdivision 1a, the

employee ~~shall receive~~ *is entitled to* an annuity in accordance with the terms of the optional annuity previously elected. If the employee had not elected an optional annuity under subdivision 1a, the employee may then either elect to receive a normal retirement annuity computed ~~in the manner provided in under~~ section 352.115 or elect to receive an optional annuity ~~as provided in under~~ section 352.116, subdivision 3, based on the same length of service as used in the calculation of the disability benefit. ~~Election of An employee must elect~~ an optional annuity ~~must be made~~ before reaching age 62. The reduction for ~~early retirement before age 65~~ as provided in section 352.116, subdivision 1, does not apply. The savings clause provision of section 352.93, subdivision 3, applies. If an optional annuity is elected, the optional annuity ~~shall begin~~ *begins* to accrue on the first of the month following the month in which the employee reaches age 62.

Sec. 13. Minnesota Statutes 1986, section 353.30, subdivision 1, is amended to read:

Subdivision 1. Upon separation from public service ~~any~~, a person who has attained ~~the at least age of at least 58 years but not more than 65 years~~ 55 and who has received credit for not less than ~~20 five~~ years of allowable service, ~~or a person who has received credit for not less than 30 years of allowable service~~, is entitled upon application to a retirement annuity in an amount equal to the normal annuity provided in section 353.29, subdivisions 2 and 3, reduced by ~~one quarter of one percent for each month that the member is under age 65 at the time of retirement so that the reduced annuity is the actuarial equivalent of the annuity that would be payable to the person if the person deferred receipt of the annuity from the day the annuity begins to accrue to age 62.~~

Sec. 14. Minnesota Statutes 1987 Supplement, section 353.32, subdivision 1a, is amended to read:

Subd. 1a. [SURVIVING SPOUSE OPTIONAL ANNUITY.] If a member or former member who has attained ~~the at least age of at least 50 years~~ and has credit for not less than five years of allowable service; or who has credit for not less than 30 years of allowable service; regardless of age attained, dies before the annuity or disability benefit ~~has become payable begins to accrue in accordance with section 353.29, subdivision 7, or 353.33, subdivision 2~~, notwithstanding any designation of beneficiary to the contrary, the surviving spouse may elect to receive, ~~in lieu instead of a refund with interest provided in subdivision 1, or survivor benefits otherwise payable pursuant to under~~ section 353.31, an annuity equal to the 100 percent joint and survivor annuity ~~which that~~ the member could have qualified for had the member terminated service on the date of death. The surviving spouse may apply for the annuity at any time after the date on which the deceased employee would have attained the required age for retirement based on the employee's allowable service. The annuity ~~shall~~ *must* be computed ~~as provided in under~~ sections 353.29, subdivisions 2 and 3; and 353.30, subdivisions 1, 1a, 1b and 1c. Sections 353.34; subdivision 3, and 353.71, subdivision 2, apply to a deferred annuity payable under this subdivision. No payment ~~shall~~ *may* accrue beyond the end of the month in which entitlement to the annuity has terminated. An amount equal to ~~the any excess; if any,~~ of the accumulated contributions ~~which that~~ were credited to the account of the deceased employee over and above the total of the annuities paid and payable to the surviving spouse ~~shall~~ *must* be paid to the deceased member's last designated beneficiary or, if none, to the legal representative of the estate of the deceased member. ~~Any~~

A member may specify in writing that this subdivision ~~shall~~ does not apply and that payment ~~shall~~ may be made only to the designated beneficiary, as otherwise provided by this chapter.

Sec. 15. Minnesota Statutes 1987 Supplement, section 353.33, subdivision 1, is amended to read:

Subdivision 1. [AGE, SERVICE AND SALARY REQUIREMENTS.] ~~Any~~ A member who becomes totally and permanently disabled before age 65 62 and after five years of allowable service ~~shall be~~ is entitled to a disability benefit in an amount provided in subdivision 3. If ~~such~~ the disabled person's public service has terminated at any time, at least three of the required five years of allowable service must have been rendered after last becoming a member. ~~Any~~ A member whose average salary is less than \$75 per a month ~~shall~~ is not be entitled to a disability benefit. No repayment of a refund otherwise authorized ~~pursuant to~~ by section 353.34 and no purchase of prior service or payment made ~~in lieu~~ instead of salary deductions otherwise authorized ~~pursuant to~~ by section 353.01, subdivision 16, 353.017, subdivision 4, or 353.36, subdivision 2, may be made after the occurrence of the disability for which an application ~~pursuant to~~ under this section is filed.

Sec. 16. Minnesota Statutes 1986, section 353.33, subdivision 3, is amended to read:

Subd. 3. [COMPUTATION OF BENEFITS.] ~~This~~ The disability benefit is an amount equal to the normal annuity payable to a member who has reached 65 age 62 with the same number of years of allowable service and the same average salary, as provided in section 353.29, subdivisions 2 and 3. A "basic member" ~~shall receive~~ is entitled in addition to a supplementary monthly benefit computed in accordance with the following table:

Age when Disabled	Supplementary Benefit
Under 56	\$50
56	45
57	40
58	35
59	30
60	25
61	20
62	15
63	10
64	5

If the disability benefits provided in this subdivision exceed the average salary as defined in section 353.29, subdivision 2, the disability benefits ~~shall~~ must be reduced to an amount equal to ~~said~~ the average salary.

Sec. 17. Minnesota Statutes 1986, section 353.33, subdivision 11, is amended to read:

Subd. 11. [RETIREMENT STATUS AT AGE 65 62.] No person ~~shall be entitled to~~ may receive disability benefits and a retirement annuity at the same time. The disability benefits paid to a person ~~hereunder~~ shall under this section terminate when the person reaches age 65 62. If the person is still totally and permanently disabled when the person attains the age of 65 years 62, the person ~~shall be~~ is deemed to be on retirement status

and, if the person had elected an optional annuity pursuant to subdivision 3a, ~~shall receive the person is entitled to~~ an annuity in accordance with the terms of the optional annuity previously elected, ~~or~~. If the person had not elected an optional annuity pursuant to subdivision 3a, ~~the person may at the option of the person either~~ elect to receive ~~either~~ a normal retirement annuity ~~as provided in under~~ section 353.29 or a normal retirement annuity equal to the disability benefit paid before the person reached age ~~65~~ 62, whichever amount is greater, or ~~elect to receive an optional annuity as provided in under~~ section 353.30, subdivision 3. ~~Any~~ For a disabled person who ~~becomes reaches~~ age ~~65~~ 62, the annuity ~~must be~~ computed in accordance with the law in effect ~~upon attainment of when the person reached age~~ ~~65~~ 62. Election of an optional annuity ~~shall must~~ be made ~~prior to before~~ the person ~~attaining the attains~~ age of ~~65 years~~ 62. If an optional annuity is elected, the election ~~shall be is~~ effective on the date on which the person attains ~~the age of~~ 65 years 62, and the optional annuity ~~shall begin begins~~ to accrue on the first day of the month next following the month in which the person attains ~~the age of~~ 65 years 62.

Sec. 18. Minnesota Statutes 1987 Supplement, section 353.34, subdivision 3, is amended to read:

Subd. 3. [DEFERRED ANNUITY; ELIGIBILITY; COMPUTATION.] ~~Any person~~ A member with at least five years of allowable service when termination of public service occurs ~~shall have has~~ the option of leaving the accumulated deductions in the fund and ~~thereby be being~~ entitled to a deferred retirement annuity commencing at age ~~65~~ 62 or for a deferred early retirement annuity ~~pursuant to under~~ section 353.30, subdivision 1, 1a, 1b or 1c. The deferred annuity ~~shall must~~ be computed ~~in the manner provided in under~~ section 353.29, subdivisions 2 and 3, on the basis of the law in effect on the date of termination of public service and ~~shall must~~ be augmented as provided in section 353.71, subdivision 2. ~~Any person~~ A former member qualified to apply for a deferred retirement annuity may revoke this option at any time ~~prior to before~~ the commencement of deferred annuity payments by making application for a refund. The person ~~shall be is~~ entitled to a refund of accumulated member contributions within 30 days following the date of receipt of ~~on which the executive director receives~~ the application ~~by the executive director~~.

Sec. 19. Minnesota Statutes 1986, section 353.34, subdivision 3b, is amended to read:

Subd. 3b. [DEFERRED ANNUITY; CERTAIN FORMER MUNICIPAL COURT JUDGES.] ~~Any~~ A person who qualified for membership in the association solely because of service as a municipal court judge, whose service as a municipal court judge was terminated by Laws 1971, chapter 951, section 9, and who elected to leave accumulated deductions in the fund to qualify for a deferred annuity, may receive a deferred early retirement annuity under section 353.30, subdivision 1, ~~1a, 1b, or 1c~~, notwithstanding the law in effect on the date of termination of public service.

Sec. 20. Minnesota Statutes 1986, section 353.71, subdivision 5, is amended to read:

Subd. 5. [EARLY RETIREMENT.] The requirements and provisions for retirement ~~prior to before~~ age ~~65~~ 62 in section 353.30, ~~shall~~ also apply to a person fulfilling ~~such those~~ requirements with a combination of service ~~as provided in under~~ subdivision 1.

Sec. 21. Minnesota Statutes 1986, section 354.44, subdivision 7, is amended to read:

Subd. 7. [COMPUTATION OF FORMULA AND VARIABLE PROGRAM RETIREMENT ANNUITY.] The benefits provided in this subdivision are the sum of the benefits provided by the following:

(1) The benefits provided in subdivision 6, ~~clause (2) paragraph (b)~~, for formula service credit ~~prior to before~~ the effective date of the original election of this subdivision and subsequent to June 30, 1978, unless the member elects continued participation in the variable program ~~pursuant to under~~ section 354.621, and

(2) The benefits for service credit ~~subsequent to after~~ the effective date of the formula and variable program but ~~prior to before~~ July 1, 1978, and the benefits for service credit ~~subsequent to after~~ June 30, 1978, if the member elects continued participation in the variable program ~~pursuant to under~~ section 354.621, ~~shall be constitute~~ the average salary as defined in subdivision 6, ~~clause (1) paragraph (a)~~, of ~~any a~~ member, multiplied by the following percentages per year of formula service credit:

	Coordinated Member	Basic Member
Each year of service during first ten	5 .75 percent per year	1.0 percent per year
Each year of service thereafter after ten years	.75 percent per year	1.25 percent per year, and

(3) the benefits provided in section 354.62, subdivision 5.

Sec. 22. Minnesota Statutes 1986, section 354.46, subdivision 1, is amended to read:

Subdivision 1. [BASIC PROGRAM; BENEFITS FOR SPOUSE AND CHILDREN OF TEACHER.] If a basic member who has at least 18 months of allowable service credit and who has an average salary as defined in section 354.44, subdivision 6, equal to or greater than \$75 dies ~~prior to before~~ retirement or if a former basic member who, at the time of death, was totally and permanently disabled and receiving disability benefits pursuant to section 354.48 dies ~~prior to attaining the before~~ age of 65 years 62, the surviving dependent spouse and dependent children of the basic member or former basic member ~~shall be are~~ entitled to receive a monthly benefit as follows:

- (a) Surviving dependent spouse 50 percent of the basic member's monthly average salary paid in the last full fiscal year preceding death
- (b) Each dependent child ten percent of the basic member's monthly average salary paid in the last full fiscal year preceding death

Payments for the benefit of ~~any a~~ dependent child under ~~the~~ age of 22 years ~~shall must~~ be made to the surviving parent, or, if there be none, to the legal guardian of the child. The maximum monthly benefit ~~shall may~~

not exceed \$1,000 for any one family, and the minimum benefit per family ~~shall~~ may not be less than 50 percent of the basic member's average salary, subject to the foregoing maximum. The surviving dependent spouse benefit ~~shall terminate~~ terminates upon remarriage, and the surviving dependent children's benefit ~~shall must~~ be reduced ~~pro tanto~~ by that child's share when ~~any~~ a surviving child is no longer dependent.

If the basic member and the surviving dependent spouse are killed in a common disaster and if the total of all survivors benefits payable ~~pursuant to~~ under this subdivision is less than the accumulated deductions plus interest payable, the surviving dependent children ~~shall receive~~ are entitled to the difference in a lump sum payment.

If the survivor benefits provided in this subdivision exceed in total the monthly average salary of the deceased basic member, these benefits ~~shall~~ must be reduced to an amount equal to the deceased basic member's monthly average salary.

~~Prior to~~ Before payment of ~~any~~ a survivor benefit ~~pursuant to~~ under this subdivision, ~~in lieu of that benefit~~, the surviving dependent spouse may elect, ~~instead of the benefit~~, to receive the joint and survivor annuity provided ~~pursuant to~~ under subdivision 2; or ~~may elect~~ to receive a refund of accumulated deductions with interest in a lump sum as provided ~~pursuant to sections in section 354.47, subdivision 1, or 354.62, subdivision 5, clause (3).~~ If there are any surviving dependent children, the surviving dependent spouse may elect to receive the refund of accumulated deductions only with the consent of the district court of the district in which the surviving dependent child or children reside.

Sec. 23. Minnesota Statutes 1987 Supplement, section 354.48, subdivision 3, is amended to read:

Subd. 3. [COMPUTATION OF BENEFITS.] (4) (a) The amount of the disability benefit granted to members covered under section 354.44, subdivision 2, clauses (1) and (2), is an amount equal to double the annuity ~~which that~~ could be purchased by the member's accumulated deductions plus interest on the amount computed as though the ~~teacher member~~ were age 65 62 at the time the benefit begins to accrue and in accordance with the law in effect when the disability application is received. ~~Any~~ A member who applies for a disability benefit after June 30, 1974, and who failed to make an election ~~pursuant to~~ under Minnesota Statutes 1971, section 354.145, ~~shall have the~~ is entitled to a disability benefit computed under this ~~clause paragraph or~~ ~~clause~~ (2) paragraph (b), whichever is larger.

The benefit granted ~~shall be~~ is determined by the following:

- (a) (1) the amount of the accumulated deductions;
- (b) (2) interest actually earned on these accumulated deductions to the date the benefit begins to accrue;
- (c) (3) interest for the years from the date the benefit begins to accrue to the date the member attains age 65 62 at the rate of three percent;
- (d) (4) annuity purchase rates based on an appropriate annuity table of mortality established by the board as ~~provided in~~ under section 354.07, subdivision 1, and using the applicable postretirement interest rate assumption ~~specified~~ in section 356.215, subdivision 4d.

In addition, a supplementary monthly benefit ~~shall be paid~~ is payable

to basic members only in accordance with the following table:

Age When Benefit Begins to Accrue	Supplementary Benefit
Under Age 56	\$50
56	45
57	40
58	35
59	30
60	25
61	20
62	15
63	10
64	5

(2) (b) The disability benefit granted to ~~members~~ a member covered under by section 354.44, subdivision 6 or 7 shall, must be computed in the same manner as the annuity provided in accordance with the subdivision 6 or 7 of that section, whichever is applicable covers the member. The disability benefit shall be is the formula annuity without the reduction for each month the member is under age 65 62 when the benefit begins to accrue.

(3) (c) For the purposes of computing a retirement annuity when the member becomes eligible, the amounts paid for disability benefits shall may not be deducted from the individual member's accumulated deductions. If the disability benefits provided in this subdivision exceed the monthly average salary of the disabled member, the disability benefits shall must be reduced to an amount equal to the disabled member's average salary.

Sec. 24. Minnesota Statutes 1986, section 354.48, subdivision 10, is amended to read:

Subd. 10. [RETIREMENT STATUS AT AGE 65 62.] No person shall be entitled to may receive both a disability benefit and a retirement annuity provided by this chapter. The disability benefit paid to a person hereunder shall terminate terminates at the end of the month in which the person attains the age of 65 years 62. If the person is still totally and permanently disabled at the beginning of the month next following after the month in which the person attains the age of 65 years 62, the person shall be is deemed to be on retirement status and, if the person had elected an optional annuity pursuant to under subdivision 3a, shall receive is entitled to an annuity in accordance with the terms of the optional annuity previously elected; or, If the person had not elected an optional annuity pursuant to under subdivision 3a, may at the option of the person may elect to receive either a straight life retirement annuity computed pursuant to under section 354.44 or a straight life retirement annuity equal to the disability benefit paid prior to before the date on which the person attained the age of 65 years 62, whichever amount is greater, or elect to receive an optional annuity as provided in under section 354.45, subdivision 1. Election of an optional annuity shall must be made prior to before the person attaining the attains age of 65 years 62. If an optional annuity is elected, the election shall be is effective on the date on which the person attains the age of 65 years 62, and the optional annuity shall begin begins to accrue on the first day of the month next following after the month in which the person attains the age of 65 years 62.

Sec. 25. Minnesota Statutes 1987 Supplement, section 354.49, subdivision 3, is amended to read:

Subd. 3. ~~Any~~ A person ~~not covered by section 354.44, subdivision 6 or 7,~~ who has attained ~~the at least age of at least 65~~ 62 with less than five years of credited allowable service ~~shall be~~ is entitled to receive a refund in an amount equal to the person's accumulated deductions plus interest ~~in lieu~~ ~~instead of a proportionate annuity pursuant to under section 356.32~~ ~~except those.~~ A person covered ~~under the provisions of by section 354.44, subdivision 6 or 7 in which case the,~~ may elect a refund ~~shall be~~ in an amount equal to the accumulated deductions credited to the person's account as of June 30, 1957, and, after July 1, 1957, the accumulated deductions plus interest at the rate of five percent compounded annually.

Sec. 26. Minnesota Statutes 1987 Supplement, section 354.55, subdivision 11, is amended to read:

Subd. 11. [DEFERRED ANNUITY; AUGMENTATION.] ~~Any~~ A person covered ~~under by section 354.44, subdivisions 6 and 7,~~ who ceases to render teaching service may leave the person's accumulated deductions in the fund for the purpose of receiving a deferred annuity at retirement. Eligibility for an annuity under this subdivision ~~shall be~~ is governed ~~pursuant to~~ by section 354.44, subdivision 1, or 354.60.

The amount of the deferred retirement annuity ~~shall be~~ is determined by section 354.44, subdivisions 6 and 7, and augmented as provided in this subdivision. The required reserves related to ~~that the~~ portion of the annuity ~~which that~~ had accrued when the member ceased to render teaching service ~~shall must~~ be augmented by interest compounded annually from the first day of the month following the month during which the member ceased to render teaching service to the effective date of retirement. There ~~shall may~~ be no augmentation if this period is less than three months or if this period commences ~~prior to before~~ July 1, 1971. The rates of interest used for this purpose ~~shall must~~ be five percent commencing July 1, 1971, until January 1, 1981, and three percent ~~thereafter~~ ~~afterward~~. If a person has more than one period of uninterrupted service, a separate average salary determined under section 354.44, subdivision 6, must be used for each period, and the required reserves related to each period ~~shall must~~ be augmented by interest ~~pursuant to under~~ this subdivision. The sum of the augmented required reserves ~~so determined shall be under this subdivision~~ is the basis for purchasing the deferred annuity. If a person repays a refund, the service restored by the repayment must be considered as continuous with the next period of service for which the person has credit with this fund. If a person does not render teaching service in any one ~~fiscal year~~ or more consecutive fiscal years and then resumes teaching service, the formula percentages used from the date of the resumption of teaching service ~~shall be~~ are those applicable to new members. The mortality table and interest assumption used to compute the annuity ~~shall must~~ be the applicable mortality table established by the board under section 354.07, subdivision 1, and the interest rate assumption under section 356.215 in effect when the member retires. A period of uninterrupted service for the purposes of this subdivision means a period of covered teaching service during which the member has not been separated from active service for more than one fiscal year.

The provisions of this subdivision ~~shall do~~ not apply to variable account accumulations as defined in section 354.05, subdivision 23.

In no case shall ~~may~~ the annuity payable under this subdivision be less than the amount of annuity payable ~~pursuant to under~~ section 354.44, subdivisions 6 and 7.

The requirements and provisions for retirement before age ~~65~~ 62 contained in section 354.44, subdivision 6, ~~clause (2), shall paragraph (b),~~ also apply to an employee fulfilling the requirements with a combination of service as ~~provided in under~~ section 354.60.

The augmentation provided by this subdivision applies to the benefit provided in section 354.46, subdivision 2.

The augmentation provided by this subdivision ~~shall does~~ not apply to ~~any~~ a period in which a person is on an approved leave of absence from an employer unit covered by ~~the provisions~~ of this chapter.

Sec. 27. Minnesota Statutes 1987 Supplement, section 354A.31, subdivision 6, is amended to read:

Subd. 6. [REDUCED RETIREMENT ANNUITY.] Upon retirement at an age ~~prior to age 65 with five years of service credit or prior to before~~ age 62 with at least 30 years of service credit, a coordinated member shall ~~be is~~ be entitled to a retirement annuity in an amount equal to the normal retirement annuity reduced by ~~one-half of one percent for each month that the coordinated member is under the age of 65 if the coordinated member has less than 30 years of service credit or is under the age of 62 if the coordinated member has at least 30 years of service credit but is over the age of 59, and reduced by one-fourth of one percent for each month that the coordinated member is under the age of 60 so that the reduced annuity is the actuarial equivalent of the annuity that would be payable to the member if the member deferred receipt of the annuity from the day the annuity begins to accrue to age 62.~~

Sec. 28. Minnesota Statutes 1986, section 354A.36, subdivision 3, is amended to read:

Subd. 3. [COMPUTATION OF DISABILITY BENEFIT.] The coordinated permanent disability benefit ~~shall be is~~ is an amount equal to the normal coordinated retirement annuity computed ~~pursuant to under~~ section 354A.31, subdivision 4, based on allowable service credited to the date of disability but without any reduction for the commencement of the benefit ~~prior to before~~ the attainment of age 65 or age 62 with at least 30 years of service credit as specified in section 354A.31, subdivision 6. The disabled coordinated member ~~shall is not be~~ is not be entitled to elect an optional annuity form ~~pursuant to under~~ section 354A.32 ~~prior to before~~ attaining age 65 62 as provided in subdivision 10.

Sec. 29. Minnesota Statutes 1986, section 354A.36, subdivision 10, is amended to read:

Subd. 10. [RETIREMENT STATUS UPON ATTAINING AGE 65 62.] No person ~~shall be is~~ is entitled to receive both a disability benefit under this section and a retirement annuity under section 354A.31. If a disability benefit recipient remains totally and permanently disabled upon attaining age 65 62, the disability benefit ~~shall terminate terminates~~ and the former disability benefit recipient ~~shall be is~~ is deemed to be on retirement status. If the former disability benefit recipient had elected an optional annuity ~~pursuant to under~~ subdivision 3a, the recipient ~~shall receive is entitled to~~ is entitled to an annuity in accordance with the terms of the optional annuity previously

elected, or, if the recipient had not elected an optional annuity pursuant to under subdivision 3a, the recipient shall be is entitled either to receive a retirement annuity in an amount equal to the greater of either a single life retirement annuity calculated pursuant to under section 354A.31 or the disability benefit paid to the recipient immediately prior to before the recipient's attaining age 65 62 or to elect either a single life retirement annuity as provided in this section or an actuarial equivalent optional form retirement annuity as provided in section 354A.32. Election of an optional annuity shall must be made prior to before the person attaining the attains age of 65 years 62. If an optional annuity is elected, the election shall be is effective on the date on which the person attains the age of 65 years 62, and the optional annuity shall begin begins to accrue on the first day of the month next following after the month in which the person attains the age of 65 years 62.

Sec. 30. Minnesota Statutes 1986, section 354A.37, subdivision 4, is amended to read:

Subd. 4. [CERTAIN REFUNDS AT AGE 65 62.] Any A coordinated member who has attained the at least age of at least 65 62 with less than ten years of allowable service credit and has terminated active teaching service shall be is entitled to a refund in lieu instead of a proportionate annuity pursuant to under section 356.32. The refund shall must be equal to the coordinated member's accumulated employee contributions plus interest at the rate of five percent compounded annually.

Sec. 31. Minnesota Statutes 1986, section 356.32, subdivision 1, is amended to read:

Subdivision 1. [PROPORTIONATE RETIREMENT ANNUITY.] Notwithstanding any provision to the contrary of the laws governing any of the retirement funds referred to in subdivision 2, any a person who is an active member of any applicable a fund covered by this chapter, who has credit for at least one year but less than ten years of allowable service in one or more of the applicable funds, and who terminates active service pursuant to under a mandatory retirement law or policy or at age 65 62 or older for any reason shall be is entitled upon making written application on the form prescribed by executive director or executive secretary of the fund to a proportionate retirement annuity from each applicable fund in which the person has allowable service credit. The proportionate annuity shall must be calculated under the applicable laws governing annuities in each fund, based upon allowable service credit at the time of retirement and the person's average salary for the highest five successive years of allowable service or the average salary for the entire period of allowable service if less than five years. Nothing in this section shall prevent prevents the imposition of the appropriate early retirement reduction of an annuity which that commences prior to before normal retirement age.

Sec. 32. [REPEALER.]

Minnesota Statutes 1986, section 353.30, subdivisions 1a and 1b, are repealed. Minnesota Statutes 1987 Supplement, section 353.30, subdivision 1c, is repealed.

Sec. 33. [EFFECTIVE DATE.]

Sections 1 to 32 are effective July 1, 1989."

Delete the title and insert:

"A bill for an act relating to retirement; making technical changes in the laws governing the judges retirement plan and the public employees retirement association; authorizing optional Medicare coverage for certain pre-1986 public employees; providing for a special referendum; establishing an individual retirement account plan for state university and community college faculty; lowering the normal retirement age for members of certain retirement funds; amending Minnesota Statutes 1986, section 353.01, subdivisions 15 and 29, and by adding a subdivision; 353.028, subdivision 2; 353.03, subdivision 1; 353.27, subdivisions 7 and 13, and by adding subdivisions; 353.29, subdivision 3; 353.30, subdivision 1; 353.32, subdivision 5; 353.33, subdivisions 3, 7, and 11; 353.34, subdivision 3b; 353.37, subdivision 1; 353.65, subdivision 2; 353.71, subdivision 5; 354.05, by adding a subdivision; 354.44, subdivisions 6 and 7; 354.46, subdivision 1; 354.48, subdivision 10; 354.50, subdivision 1; 354A.31, subdivision 4; 354A.36, subdivisions 3 and 10; 354A.37, subdivision 4; 356.24; 356.32, subdivision 1; 490.123, subdivision 1; and 490.129; Minnesota Statutes 1987 Supplement, sections 352.01, subdivisions 2b and 19; 352.113, subdivisions 1, 3, 4, 10, and 12; 352.115, subdivisions 2 and 3; 352.116, subdivisions 1 and 2; 352.72, subdivision 5; 352.91, subdivision 3; 352.95, subdivision 5; 353.01, subdivisions 2b, 10, 16, and 20; 353.27, subdivisions 10 and 12; 353.29, subdivisions 1 and 6; 353.32, subdivision 1a; 353.33, subdivision 1; 353.34, subdivision 3; 353C.02; 353C.03; 353C.04; 353C.05; 353C.06, subdivisions 1, 3, and 4; 353C.07; 353C.08, subdivision 5, and by adding a subdivision; 353D.05, subdivision 2; 353D.07, subdivisions 1, 2, and 4; 353D.08; 354.48, subdivision 3; 354.49, subdivision 3; 354.55, subdivision 11; 354A.31, subdivisions 5 and 6; 356.302, subdivisions 1 and 3; 490.124, subdivision 11; proposing coding for new law in Minnesota Statutes, chapters 355; and 356; proposing coding for new law as Minnesota Statutes, chapter 354B; repealing Minnesota Statutes 1986, section 353.30, subdivisions 1a and 1b; Minnesota Statutes 1987 Supplement, sections 353.30, subdivision 1c; and 353D.07, subdivision 5."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 2489: A bill for an act relating to consumer protection; regulating the provision of real estate closing services; amending Minnesota Statutes 1986, sections 82.17, by adding a subdivision; 82.19, subdivisions 1, 2, and 4; 82.20, subdivisions 1, 2, and 3; 82.22, subdivisions 1, 5, 10, 11, and 13; 82.23, subdivision 2; 82.27, subdivision 2; and 481.02, subdivision 3, and by adding subdivisions; Minnesota Statutes 1987 Supplement, section 82.21, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 507.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [POLICY STATEMENT; LEGISLATIVE FINDINGS.]

Since 1931 the expressed policy of the state of Minnesota, stated by law in Minnesota Statutes, section 481.02, subdivision 3, clause (3), has been that real estate brokers and salespeople may provide drafting services

incident to real estate closings. The legislature continues to find that the public interest will be served by permitting the provision of those services by brokers, salespeople, and closing agents with or without compensation. The legislature also finds it appropriate, and it is the purpose of this act, to provide clarification of the role of real estate brokers, salespeople, and closing agents.

Sec. 2. Minnesota Statutes 1986, section 82.17, is amended by adding a subdivision to read:

Subd. 10. "Closing agent" or "real estate closing agent" means any person, except a licensed attorney, real estate broker, or real estate salesperson, who for another and with or without a commission, fee, or other valuable consideration or with or without the intention or expectation of receiving a commission, fee, or other valuable consideration, directly or indirectly provides closing services incident to the sale, trade, lease, or loan of residential real estate, including drawing or assisting in drawing papers incident to the sale, trade, lease, or loan, or advertises or claims to be engaged in these activities.

Sec. 3. Minnesota Statutes 1987 Supplement, section 481.02, subdivision 3, is amended to read:

Subd. 3. [PERMITTED ACTIONS.] The provisions of this section shall not prohibit:

(1) any person from drawing, without charge, any document to which the person, an employer of the person, a firm of which the person is a member, or a corporation whose officer or employee the person is, is a party, except another's will or testamentary disposition or instrument of trust serving purposes similar to those of a will;

(2) a person from drawing a will for another in an emergency if the imminence of death leaves insufficient time to have it drawn and its execution supervised by a licensed attorney-at-law;

~~(3) any one, acting as broker for the parties or agent of one of the parties to a sale or trade or lease of property or to a loan, from drawing or assisting in drawing, with or without charge, papers incident to the sale, trade, lease, or loan;~~

(4) any insurance company from causing to be defended, or from offering to cause to be defended through lawyers of its selection, the insureds in policies issued or to be issued by it, in accordance with the terms of the policies;

~~(5) (4) a licensed attorney-at-law from acting for several common-carrier corporations or any of its subsidiaries pursuant to arrangement between the corporations;~~

~~(6) (5) any bona fide labor organization from giving legal advice to its members in matters arising out of their employment;~~

~~(7) (6) any person from conferring or cooperating with a licensed attorney-at-law of another in preparing any legal document, if the attorney is not, directly or indirectly, in the employ of the person or of any person, firm, or corporation represented by the person;~~

~~(8) (7) any licensed attorney-at-law of Minnesota, who is an officer or employee of a corporation, from drawing, for or without compensation, any document to which the corporation is a party or in which it is interested~~

personally or in a representative capacity, except wills or testamentary dispositions or instruments of trust serving purposes similar to those of a will, but any charge made for the legal work connected with preparing and drawing the document shall not exceed the amount paid to and received and retained by the attorney, and the attorney shall not, directly or indirectly, rebate the fee to or divide the fee with the corporation;

~~(9)~~ (8) any person or corporation from drawing, for or without a fee, farm or house leases, notes, mortgages, chattel mortgages, bills of sale, deeds, assignments, satisfactions, or any other conveyances except testamentary dispositions and instruments of trust;

~~(10)~~ (9) a licensed attorney-at-law of Minnesota from rendering to a corporation legal services to itself at the expense of one or more of its bona fide principal stockholders by whom the attorney is employed and by whom no compensation is, directly or indirectly, received for the services;

~~(11)~~ (10) any person or corporation engaged in the business of making collections from engaging or turning over to an attorney-at-law for the purpose of instituting and conducting suit or making proof of claim of a creditor in any case in which the attorney-at-law receives the entire compensation for the work;

~~(12)~~ (11) any regularly established farm journal or newspaper, devoted to general news, from publishing a department of legal questions and answers to them, made by a licensed attorney-at-law, if no answer is accompanied or at any time preceded or followed by any charge for it, any disclosure of any name of the maker of any answer, any recommendation of or reference to any one to furnish legal advice or services, or by any legal advice or service for the periodical or any one connected with it or suggested by it, directly or indirectly;

~~(13)~~ (12) any authorized management agent of an owner of rental property used for residential purposes, whether the management agent is a natural person, corporation, partnership, limited partnership, or any other business entity, from commencing, maintaining, conducting, or defending in its own behalf any action in any court in this state to recover or retain possession of the property, except that the provision of this clause does not authorize a person who is not a licensed attorney-at-law to conduct a jury trial or to appear before a district court or the court of appeals or supreme court pursuant to an appeal; and

~~(14)~~ (13) any person from commencing, maintaining, conducting, or defending on behalf of the plaintiff or defendant any action in any court of this state pursuant to the provisions of section 566.175 or sections 566.18 to 566.33 or from commencing, maintaining, conducting, or defending on behalf of the plaintiff or defendant any action in any court of this state for the recovery of rental property used for residential purposes pursuant to the provisions of section 566.02 or 566.03, subdivision 1, except that the provision of this clause does not authorize a person who is not a licensed attorney-at-law to conduct a jury trial or to appear before a district court or the court of appeals or supreme court pursuant to an appeal, and provided that, except for a nonprofit corporation, a person who is not a licensed attorney-at-law shall not charge or collect a separate fee for services rendered pursuant to this clause.

Sec. 4. Minnesota Statutes 1986, section 481.02, is amended by adding a subdivision to read:

Subd. 3a. [REAL ESTATE CLOSING SERVICES.] Nothing in this section shall be construed to prevent a real estate broker, a real estate salesperson, or a real estate closing agent, as defined in section 82.17, from drawing or assisting in drawing papers incident to the sale, trade, lease, or loan of property, or from charging for drawing or assisting in drawing them, except as hereafter provided by the supreme court.

Sec. 5. Minnesota Statutes 1986, section 481.02, is amended by adding a subdivision to read:

Subd. 9. Nothing in section 4 shall be construed to allow a person other than a licensed attorney to perform or provide the services of an attorney or be construed to otherwise conflict with section 481.02.

Sec. 6. [507.45] [RESIDENTIAL REAL ESTATE CLOSINGS.]

Subdivision 1. Residential real estate closing services may be provided and a fee charged by a licensed attorney, real estate broker, real estate salesperson, and real estate closing agent.

Subd. 2. No charge, except a charge required to be disclosed by Regulation Z, Code of Federal Regulations, title 12, section 226, may be made by a closing agent unless the party to be charged is informed of the charge in writing at least five business days before the closing by the party charging for the closing services.

Subd. 3. If the closing services are to be provided by a real estate broker, real estate salesperson, or real estate closing agent, the following regulations shall apply.

(a) The written contract for closing services shall state in at least 10-point type that the real estate broker, real estate salesperson, or real estate closing agent has not and, under applicable state law, may not express opinions regarding the legal effect of the closing documents or of the closing itself.

(b) No closing fee may be charged if a closing is performed without either a mortgagee's or owner's title insurance commitment or a legal opinion regarding the status of title.

Sec. 7. [CONSTRUCTION.]

Nothing in this act shall be construed to imply that fees charged for closing services before its enactment constituted the unauthorized practice of law.

Sec. 8. [NONSEVERABILITY.]

If section 4 or section 6, subdivision 1, is found to be unconstitutional or otherwise inoperative, the entire act shall be void and without effect.

Sec. 9. [EFFECTIVE DATES.]

Sections 2, 3, 4, 5 and 6, subdivision 1, take effect the day after final enactment. The other sections and subdivisions take effect January 1, 1989."

Delete the title and insert:

"A bill for an act relating to consumer protection; regulating the provision of real estate closing services; amending Minnesota Statutes 1986, sections 82.17, by adding a subdivision; and 481.02, by adding subdivisions; Minnesota Statutes 1987 Supplement, section 481.02, subdivision 3; proposing

coding for new law in Minnesota Statutes, chapter 507."

And when so amended the bill do pass. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 2105, 2098 and 2489 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 1754 and 1111 were read the second time.

MOTIONS AND RESOLUTIONS - CONTINUED

Ms. Piper moved that the names of Messrs. Pogemiller and Marty be added as co-authors to S.F. No. 1867. The motion prevailed.

Mr. Frank moved that the name of Mr. Laidig be added as a co-author to S.F. No. 1962. The motion prevailed.

Mr. Kroening moved that the name of Mr. Marty be added as a co-author to S.F. No. 2170. The motion prevailed.

Mr. Dicklich moved that his name be stricken as chief author, shown as a co-author, and the name of Ms. Reichgott be added as chief author to S.F. No. 2370. The motion prevailed.

Mr. Laidig moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 2552. The motion prevailed.

Mr. Cohen moved that the name of Mr. Spear be added as a co-author to S.F. No. 2555. The motion prevailed.

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the General Orders Calendar. The motion prevailed.

GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Hughes in the chair.

After some time spent therein, the committee arose, and Mr. Hughes reported that the committee had considered the following:

S.F. Nos. 2355, 2243, 1955, 308, 1851, 1553, 2119, 1879, 1830, 1735, 2156, 1871, 30, 2245, 335, 2395, 2266, 1821, 2009, 2226, 2235, 2452 and 2255, which the committee recommends to pass.

S.F. No. 2104, which the committee recommends be re-referred to the Committee on Judiciary.

S.F. No. 1661, which the committee recommends to pass with the following amendment offered by Mr. Berg:

Pages 2 and 3, delete sections 2 and 3

Page 6, delete section 10

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 1932, which the committee recommends to pass with the following amendment offered by Mr. Frederick:

Page 1, line 23, delete "1,000" and insert "350"

The motion prevailed. So the amendment was adopted.

S.F. No. 2292, which the committee recommends to pass with the following amendment offered by Mr. Chmielewski:

Page 2, after line 2, insert:

"Sec. 2. [SALE OF TAX-FORFEITED LAND; PINE COUNTY.]

Notwithstanding Minnesota Statutes, section 282.018, and the public sale requirements of Minnesota Statutes, section 282.01, Pine county may sell certain tax-forfeited land, located in Pine county and described in this section, to Travel America in the manner provided for appraisal, sale, and conveyance of tax-forfeited land by Minnesota Statutes, chapter 282.

The land described in this section may be sold by private sale for a consideration not less than its appraised value. The conveyance must be in a form approved by the attorney general.

The land that may be sold borders public water and consists of three tracts of about 120 acres of land located in Pine county, described as:

(1) the Northeast Quarter of the Northeast Quarter, Section 21, Township 42 North, Range 20 West;

(2) the Southeast Quarter of the Northeast Quarter, Section 21, Township 42 North, Range 20 West; and

(3) the Southwest Quarter of the Northeast Quarter, Section 21, Township 42 North, Range 20 West."

Page 2, line 4, delete "Section 1 is" and insert "Sections 1 and 2 are"

Renumber the sections in sequence

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 2289, which the committee recommends to pass with the following amendment offered by Mr. Merriam for Mr. Chmielewski:

Page 1, after line 23, insert:

"Sec. 2. Minnesota Statutes 1987 Supplement, section 115C.04, subdivision 1, is amended to read:

Subdivision 1. [CORRECTIVE ACTION LIABILITY.] (a) A responsible person is liable for the cost of the corrective action taken by the agency under section 115C.03, subdivisions 2 and 3, including the cost of investigating the release and administrative and legal expenses, if:

(1) the responsible person has failed to take a corrective action ordered by the director and the agency has taken the action;

(2) the agency has taken corrective action in an emergency under section 115C.03, subdivision 3; or

(3) the agency has taken corrective action because a responsible person

could not be identified.

(b) A responsible person is liable for the reimbursement paid by the petroleum tank release compensation board under section 115C.09, subdivision 4, to the extent the reimbursement is for corrective action that the responsible person could have been ordered to perform under section 115C.03, subdivision 1.

Sec. 3. Minnesota Statutes 1987 Supplement, section 115C.04, subdivision 3, is amended to read:

Subd. 3. [AGENCY COST RECOVERY.] Reasonable and necessary expenses incurred by the agency in taking a corrective action, including costs of investigating a release ~~and~~, administrative and legal expenses, *and reimbursement costs described in subdivision 1, paragraph (b)*, may be recovered in a civil action in district court brought by the attorney general against a responsible person. The agency's certification of expenses is prima facie evidence that the expenses are reasonable and necessary. Expenses that are recovered under this section must be deposited in the fund.

Sec. 4. Minnesota Statutes 1987 Supplement, section 115C.09, subdivision 1, is amended to read:

Subdivision 1. [REIMBURSABLE CORRECTIVE ACTIONS.] The board shall provide partial reimbursement for the cost of corrective action to eligible responsible persons for ~~releases reported~~ *costs incurred after June 4, 1987.*

Sec. 5. Minnesota Statutes 1987 Supplement, section 115C.09, subdivision 2, is amended to read:

Subd. 2. [RESPONSIBLE PERSON ELIGIBILITY.] (a) A responsible person who has taken corrective action *and incurred costs after June 4, 1987*, in response to a release ~~reported after June 4, 1987~~, may apply to the board for partial reimbursement under subdivision 3 and rules adopted by the board.

(b) A reimbursement may not be made unless the board determines that:

(1) the director has determined that the corrective action has adequately addressed the release and that the release no longer poses a threat to public health and welfare or the environment;

(2) at the time of the release the tank was in compliance with state and federal rules and regulations applicable to the tank, including rules or regulations relating to financial responsibility;

(3) the agency was given notice of the release as required by section 115.061;

(4) the responsible person, to the extent possible, fully cooperated with the agency in responding to the release; and

(5) if the responsible person is an operator, the person exercised due care with regard to operation of the tank, including maintaining inventory control procedures.

Sec. 6. Minnesota Statutes 1987 Supplement, section 115C.09, is amended by adding a subdivision to read:

Subd. 3a. [ELIGIBILITY OF OTHER PERSONS.] *Notwithstanding the provisions of subdivisions 1 to 3, the board shall provide full reimbursement*

to a person who has taken corrective action if the board determines that:

(1) the person took the corrective action in response to a request or order of the director made under this chapter;

(2) the director has determined that the person was not a responsible person under section 115C.02; and

(3) the costs for which reimbursement is requested were actually incurred and were reasonable."

Renumber the sections in sequence

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 2217, which the committee recommends to pass with the following amendment offered by Mr. Novak:

Page 1, line 21, after "23" insert ", excepting the portion used for a road right-of-way."

Page 2, line 2, before the period, insert "to implement the city's storm-water and conservancy management plans"

The motion prevailed. So the amendment was adopted.

S.F. No. 1769, which the committee recommends to pass with the following amendments offered by Ms. Reichgott, Messrs. Storm and Lessard:

Ms. Reichgott moved to amend S.F. No. 1769 as follows:

Page 5, line 35, after "blind" insert ", physically handicapped."

The motion prevailed. So the amendment was adopted.

Ms. Reichgott then moved to amend S.F. No. 1769 as follows:

Page 1, line 19, after "married," insert "remarried,"

The motion prevailed. So the amendment was adopted.

Mr. Storm moved to amend S.F. No. 1769 as follows:

Page 8, lines 22 and 25, delete "\$25,000" and insert "\$15,000"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 31 and nays 22, as follows:

Those who voted in the affirmative were:

Adkins	Bertram	Jude	Olson	Taylor
Anderson	Brataas	Laidig	Purfeerst	Vickerman
Beckman	Chmielewski	Langseth	Ramstad	Wegscheid
Belanger	Davis	Larson	Renneke	
Benson	Decker	Lessard	Solon	
Berg	Diessner	Mehrkens	Storm	
Bernhagen	Frederick	Morse	Stumpf	

Those who voted in the negative were:

Berglin	Frederickson, D.J.	Marty	Peterson, D.C.	Schmitz
Brandl	Frederickson, D.R.	Merriam	Piper	Spear
Cohen	Freeman	Metzen	Pogemiller	
Dahl	Lantry	Moe, R.D.	Reichgott	
DeCramer	Luther	Pehler	Samuelson	

The motion prevailed. So the amendment was adopted.

Mr. Lessard moved to amend S.F. No. 1769 as follows:

Page 10, delete section 10

Renumber the sections in sequence

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 27 and nays 26, as follows:

Those who voted in the affirmative were:

Adkins	Bertram	Langseth	Purfeerst	Stumpf
Anderson	Chmielewski	Larson	Ramstad	Vickerman
Belanger	Decker	Lessard	Renneke	Wegscheid
Benson	Frederick	Mehrken	Samuelson	
Berg	Jude	Morse	Solon	
Bernhagen	Laidig	Olson	Storm	

Those who voted in the negative were:

Beckman	Davis	Luther	Pehler	Schmitz
Berglin	DeCramer	Marty	Peterson, D.C.	Spear
Brandl	Diessner	Merriam	Peterson, R.W.	
Brataas	Frederickson, D.R.	Metzen	Piper	
Cohen	Freeman	Moe, R.D.	Pogemiller	
Dahl	Lantry	Novak	Reichgott	

The motion prevailed. So the amendment was adopted.

S.F. No. 2017, which the committee recommends to pass with the following amendment offered by Ms. Berglin:

Page 3, line 9, delete "*hospital or medical*" and after "*services*" insert "*and training in medical and surgical care of children with handicaps or disabilities*"

Page 3, line 16, after the period, insert "*The leasehold interest may also be transferred to the city of St. Paul and Ramsey county without limitation as to use.*"

The motion prevailed. So the amendment was adopted.

S.F. No. 2384, which the committee recommends to pass with the following amendment offered by Mr. Schmitz:

Page 3, line 11, reinstate the stricken "90" and delete "30"

Page 4, line 27, delete "*June 30*" and insert "*May 31*"

Page 4, lines 28 and 30, delete "*July*" and insert "*June*"

The motion prevailed. So the amendment was adopted.

S.F. No. 2096, which the committee recommends to pass with the following amendment offered by Mr. Schmitz:

Page 1, line 15, delete the second "*balers*" and insert "*loaders*"

Page 2, line 23, delete "*either*"

Page 2, line 24, delete "*or in the manner of their enforcement*"

Page 4, line 4, delete "*, or attempt to coerce,*"

Page 4, line 15, after "*area*" insert "*and telecommunication necessary to communicate with the farm equipment manufacturer*"

Page 4, line 24, delete "*resulting from*" and insert "*or for*"

Page 5, line 14, delete "*July*" and insert "*May*"

Page 5, lines 15 and 17, delete "*August*" and insert "*June*"

The motion prevailed. So the amendment was adopted.

On motion of Mr. Moe, R.D., the report of the Committee of the Whole, as kept by the Secretary, was adopted.

MOTIONS AND RESOLUTIONS - CONTINUED

SUSPENSION OF RULES

Mr. Moe, R.D. moved that the rules of the Senate be so far suspended as to allow reconsideration of the vote whereby the comparison report from the Committee on Rules and Administration on H.F. No. 1912 and its companion, S.F. No. 2216, was adopted on March 15, 1988. The motion prevailed.

RECONSIDERATION

Mr. Moe, R.D. moved that the vote whereby the aforementioned committee report was adopted be now reconsidered. The motion prevailed.

Mr. Moe, R.D. moved that H.F. No. 1912 be laid on the table. The motion prevailed.

S.F. No. 1575 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 1575

A bill for an act relating to game and fish; clarifying when a trout and salmon stamp is required and responsibility for road-kill deer; amending Minnesota Statutes 1986, section 97C.305; Minnesota Statutes 1987 Supplement, sections 97A.475, subdivisions 6 and 7; 97A.485, subdivision 6; and 97A.502; repealing Minnesota Statutes 1987 Supplement, section 97A.451, subdivision 1.

March 21, 1988

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Robert Vanasek
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 1575, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate concur in the House amendment and that S.F. No. 1575, the Unofficial Engrossment (UESF1575), be further amended as follows:

Page 2, line 27, delete "*and*"

Page 2, delete lines 28 and 29

Page 2, line 30, delete everything before the period and insert:

"(4) for a trout and salmon stamp that is not issued simultaneously with an angling or sporting license, an issuing fee of 50 cents may be charged

at the discretion of the authorized seller; and

(5) for stamps other than a trout and salmon stamp, there is no fee"

Page 2, lines 32 and 34, before "stamp" insert "trout and salmon"

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Charles A. Berg, Gene Merriam, Bob Lessard

House Conferees: (Signed) David P. Battaglia, Willard Munger, John T. Rose

Mr. Berg moved that the foregoing recommendations and Conference Committee Report on S.F. No. 1575 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 1575 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 46 and nays 5, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.J.	Merriam	Renneke
Beckman	Davis	Jude	Moe, D.M.	Schmitz
Belanger	Decker	Kroening	Moe, R.D.	Storm
Benson	DeCramer	Laidig	Morse	Stumpf
Berg	Diessner	Langseth	Novak	Vickerman
Berglin	Frederick	Lantry	Pehler	Wegscheid
Bernhagen	Frederickson, D.J.	Larson	Peterson, D.C.	
Bertram	Frederickson, D.R.	Lessard	Peterson, R.W.	
Chmielewski	Freeman	Luther	Piper	
Cohen	Hughes	Marty	Pogemiller	

Those who voted in the negative were:

Anderson	Mehrken	Metzen	Purfeerst	Samuelson
----------	---------	--------	-----------	-----------

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to:

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Peterson, R.W. moved that S.F. No. 187 be taken from the table. The motion prevailed.

S.F. No. 187: A bill for an act relating to liens; personal property; establishing a lien on personal property held in self-service storage facilities; providing for the enforcement of these liens; regulating rental agreements and advertising; proposing coding for new law in Minnesota Statutes, chapter 514.

CONCURRENCE AND REPASSAGE

Mr. Peterson, R.W. moved that the Senate concur in the amendments by the House to S.F. No. 187 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 187 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 38 and nays 13, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Freeman	Mehrkens	Renneke
Anderson	Dahl	Hughes	Moe, D.M.	Schmitz
Beckman	Davis	Johnson, D.J.	Moe, R.D.	Storm
Berg	Decker	Laidig	Peterson, D.C.	Stumpf
Bernhagen	DeCramer	Langseth	Peterson, R.W.	Vickerman
Bertram	Diessner	Lantry	Piper	Wegscheid
Brataas	Frederickson, D.J.	Lessard	Pogemiller	
Chmielewski	Frederickson, D.R.	Luther	Purfeerst	

Those who voted in the negative were:

Belanger	Frederick	Larson	Metzen	Samuelson
Benson	Jude	Marty	Novak	
Berghin	Kroening	Merriam	Pehler	

So the bill, as amended, was repassed and its title was agreed to.

MEMBERS EXCUSED

Messrs. Gustafson; Knaak; Johnson, D.E. and Waldorf were excused from this evening's Session. Mrs. McQuaid was excused from this evening's Session at 8:30 p.m. Mr. Frank was excused from this evening's Session at 9:00 p.m. Mr. Ramstad was excused from this evening's Session at 9:50 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:00 noon, Wednesday, March 23, 1988. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

SEVENTY-FOURTH DAY

St. Paul, Minnesota, Wednesday, March 23, 1988

The Senate met at 12:00 noon and was called to order by the President.

CALL OF THE SENATE

Mr. Luther imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Phyllis Taylor.

The roll was called, and the following Senators answered to their names:

Adkins	Davis	Jude	Metzen	Renneke
Anderson	Decker	Knaak	Moe, D.M.	Samuelson
Beckman	DeCramer	Knutson	Moe, R. D.	Schmitz
Belanger	Dicklich	Kroening	Morse	Solon
Benson	Diessner	Laidig	Novak	Spear
Berg	Frank	Langseth	Olson	Storm
Berglin	Frederick	Lantry	Pehler	Stumpf
Bernhagen	Frederickson, D.J.	Larson	Peterson, D.C.	Taylor
Bertram	Frederickson, D.R.	Lessard	Peterson, R. W.	Vickerman
Brandl	Freeman	Luther	Piper	Waldorf
Brataas	Gustafson	Marty	Pogemiller	Wegscheid
Chmielewski	Hughes	McQuaid	Purfeerst	
Cohen	Johnson, D.E.	Mehrkens	Ramstad	
Dahl	Johnson, D.J.	Merriam	Reichgott	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communication was received.

March 22, 1988

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. No. 1594.

Sincerely,
Rudy Perpich, Governor

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 2224, 2272, 2419, 1796, 1971, 2185, 2470, 2487, 453, 2422 and 2568.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 22, 1988

FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H.F. No. 2224: A bill for an act relating to landlord tenant law; providing an action for damages for accepting rent on condemned property; proposing coding for new law in Minnesota Statutes, chapter 504.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2170, now on General Orders.

H.F. No. 2272: A bill for an act relating to natural resources; making changes in certain laws relating to forestry; amending Minnesota Statutes 1986, sections 88.19; 89.01, subdivision 5, and by adding a subdivision; 89.17; and 89.19.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1687, now on the Calendar.

H.F. No. 2419: A bill for an act relating to criminal procedure; defining "crime" in the law governing issuance of search warrants to include violations of municipal ordinances; amending Minnesota Statutes 1986, section 626.05, by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2156, now on the Calendar.

H.F. No. 1796: A bill for an act relating to counties; exempting the issuance of certain county bonds from the election requirement; authorizing county building fund levies; amending Minnesota Statutes 1986, sections 373.25, subdivision 1; 475.52, subdivision 3; and 475.58, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 373.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1877.

H.F. No. 1971: A bill for an act relating to guardianship; permitting appointment of any number of guardians; permitting the appointment of guardians who reside outside the state; amending Minnesota Statutes 1986, sections 525.54, subdivision 1; and 525.544, subdivision 2.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2068, now on General Orders.

H.F. No. 2185: A bill for an act relating to game and fish; adjusting the height of deer stands; regulating placing decoys in public waters or on

public lands; amending Minnesota Statutes 1986, sections 97B.325; and 97B.811.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2199, now on General Orders.

H.F. No. 2470: A bill for an act relating to crimes; increasing the penalties for issuing dishonored checks with aggregate value greater than \$200; amending Minnesota Statutes 1986, section 609.535, subdivision 2, and by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2472, now on General Orders.

H.F. No. 2487: A bill for an act relating to local government; changing a procedure for detachment and annexation of incorporated land; amending Minnesota Statutes 1986, section 414.061, subdivision 5.

Referred to the Committee on Local and Urban Government.

H.F. No. 453: A bill for an act relating to state investments; limiting investments in companies doing business in Northern Ireland; protecting public pension investment policy; authorizing early unreduced retirement under the rule of 90 for the Minnesota state retirement system and the teachers retirement association; amending Minnesota Statutes 1986, sections 354.44, subdivision 6; 354A.23, by adding a subdivision; Minnesota Statutes 1987 Supplement, sections 352.116, by adding a subdivision; 354A.31, subdivision 6, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 11A.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 722, now on General Orders.

H.F. No. 2422: A bill for an act relating to agriculture; clarifying certain exemptions; specifying property exempt from final process issued by a court; modifying the exemption for employee benefits; amending Minnesota Statutes 1986, sections 323.24; and 550.37, subdivisions 5 and 24.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2278, now on General Orders.

H.F. No. 2568: A bill for an act relating to agriculture; providing for terms and compensation for members of the Minnesota agricultural and economic development board; changing and clarifying the small business development loan portion of the agricultural resource loan guarantee program; establishing requirements for revenues that can be used in a local revolving fund; amending Minnesota Statutes 1987 Supplement, sections 41A.02, subdivisions 3 and 16; 41A.036, by adding subdivisions; and 116N.08, subdivision 8.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2345, now on General Orders.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of the report on S.F. No. 2277. The motion prevailed.

Mr. Spear from the Committee on Judiciary, to which was referred

H.F. No. 577: A bill for an act relating to termination of parental rights; clarifying the purposes of the laws on termination of parental rights; altering certain grounds and procedures for termination of parental rights; amending Minnesota Statutes 1986, sections 257.071, subdivisions 3 and 4; 260.011, subdivision 2; 260.012; 260.015, subdivision 10; and 260.155, subdivisions 4a and 7; and Minnesota Statutes 1987 Supplement, section 260.221.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 257.071, subdivision 3, is amended to read:

Subd. 3. [REVIEW OF VOLUNTARY PLACEMENTS.] Subject to the provisions of ~~subdivision~~ *subdivisions 3 and 4*, if the child has been placed in a residential facility pursuant to a voluntary release by the parent or parents, and is not returned home within ~~18~~ *12* months after initial placement in the residential facility, the social service agency responsible for the placement shall:

(a) Return the child to the home of the parent or parents; or

(b) File an appropriate petition pursuant to section 260.131, subdivision 1, or 260.231, and if the petition is dismissed, petition the court within two years, pursuant to section 260.131, subdivision 1a, to determine if the placement is in the best interests of the child.

Sec. 2. Minnesota Statutes 1986, section 257.071, subdivision 4, is amended to read:

Subd. 4. [REVIEW OF DEVELOPMENTALLY DISABLED AND EMOTIONALLY HANDICAPPED CHILD PLACEMENTS.] If a developmentally disabled child, as that term is defined in United States Code, title 42, section 6001 (7), as amended through December 31, 1979, *or a child diagnosed with an emotional handicap as defined in section 252.27, subdivision 1*, has been placed in a residential facility pursuant to a voluntary release by the child's parent or parents because of the child's handicapping conditions *or need for long-term residential treatment or supervision*, the social service agency responsible for the placement shall bring a petition for review of the child's foster care status, pursuant to section 260.131, subdivision 1a, rather than a petition as required by subdivision 3, clause (b) of this section, after the child has been in foster care for 18 months *or, in the case of a child with an emotional handicap, after the child has been in a residential facility for six months*. Whenever a petition for review is brought pursuant to this subdivision, a guardian ad litem shall be appointed for the child.

Sec. 3. Minnesota Statutes 1986, section 260.011, subdivision 2, is amended to read:

Subd. 2. (a) The purpose of the laws relating to juvenile courts is to secure for each child alleged or adjudicated neglected or dependent and under the jurisdiction of the court, the care and guidance, preferably in the child's own home, as will serve the spiritual, emotional, mental, and physical welfare of the child and the best interests of the state; to provide judicial

procedures which protect the welfare of the child; to preserve and strengthen the child's family ties whenever possible, removing the child from the custody of parents only when the child's welfare or safety cannot be adequately safeguarded without removal; and, when removal from the child's own family is necessary, to secure for the child custody, care and discipline as nearly as possible equivalent to that which should have been given by the parents.

(b) The purpose of the laws relating to termination of parental rights is to ensure that:

(1) reasonable efforts have been made by the social service agency to reunite the child with the child's parents in a placement that is safe and permanent; and

(2) if placement with the parents is not reasonably foreseeable, to secure for the child a safe and permanent placement, preferably with adoptive parents.

The paramount consideration in all proceedings for the termination of parental rights is the best interests of the child. In proceedings involving an American Indian child, as defined in section 257.351, subdivision 6, the best interests of the child must be determined consistent with the Indian Child Welfare Act of 1978, United States Code, title 25, section 1901, et seq.

(c) The purpose of the laws relating to children alleged or adjudicated to be delinquent is to promote the public safety and reduce juvenile delinquency by maintaining the integrity of the substantive law prohibiting certain behavior and by developing individual responsibility for lawful behavior. This purpose should be pursued through means that are fair and just, that recognize the unique characteristics and needs of children, and that give children access to opportunities for personal and social growth.

(d) The laws relating to juvenile courts shall be liberally construed to carry out these purposes.

Sec. 4. Minnesota Statutes 1986, section 260.012, is amended to read:

260.012 [DUTY TO ENSURE FAMILY REUNIFICATION OF JUVENILE COURT.]

At all stages of juvenile court proceedings, if a child is under the court's dependency or neglect jurisdiction, the court shall ensure that reasonable efforts by the social service agency are made to reunite the child with the child's family at the earliest possible time, consistent with the best interests of the child. If a child is under the court's delinquency jurisdiction, it shall be the duty of the court to ensure that all reasonable efforts are made to reunite a the child with the child's family at the earliest possible time, consistent with the best interests of the child and the safety of the child and the public.

Sec. 5. Minnesota Statutes 1986, section 260.015, subdivision 10, is amended to read:

Subd. 10. "Neglected child" means a child:

(a) who is abandoned by a parent, guardian, or other custodian; or

(b) who is without proper parental care because of the faults or habits of a parent, guardian, or other custodian; or

(c) who is without necessary subsistence, education or other care necessary for physical or mental health or morals because the parent, guardian or other custodian neglects or refuses to provide it; or

(d) who is without the special care made necessary by a physical or mental condition because the parent, guardian, or other custodian neglects or refuses to provide it; or

(e) who is medically neglected, which includes, but is not limited to, the withholding of medically indicated treatment from a disabled infant with a life-threatening condition. The term "withholding of medically indicated treatment" means the failure to respond to the infant's life-threatening conditions by providing treatment including appropriate nutrition, hydration, and medication which, in the treating physician's or physicians' reasonable medical judgment, will be most likely to be effective in ameliorating or correcting all conditions, except that the term does not include the failure to provide treatment other than appropriate nutrition, hydration, or medication to an infant when, in the treating physician's or physicians' reasonable medical judgment:

(1) the infant is chronically and irreversibly comatose;

(2) the provision of the treatment would merely prolong dying, not be effective in ameliorating or correcting all of the infant's life-threatening conditions, or otherwise be futile in terms of the survival of the infant; or

(3) the provision of the treatment would be virtually futile in terms of the survival of the infant and the treatment itself under the circumstances would be inhumane; or

(f) whose occupation, behavior, condition, environment or associations are such as to be injurious or dangerous to the child or others; or

(g) who is living in a facility for foster care which is not licensed as required by law, unless the child is living in the facility under court order; or

(h) whose parent, guardian, or custodian has made arrangements for the child's placement in a manner detrimental to the welfare of the child or in violation of law; or

(i) who comes within the provisions of subdivision 5, but whose conduct results in whole or in part from parental neglect; or

(j) who is a victim of domestic child abuse as defined in section 260.015, subdivision 24.

Sec. 6. Minnesota Statutes 1986, section 260.155, subdivision 4a, is amended to read:

Subd. 4a. [EXAMINATION OF CHILD.] In any dependency, neglect, or neglected and in foster care, or termination of parental rights proceeding the court may, on its own motion or the motion of any party, take the testimony of a child witness informally when it is in the child's best interests to do so. Informal procedures that may be used by the court include taking the testimony of a child witness outside the courtroom. The court may also require counsel for any party to the proceeding to submit questions to the court before the child's testimony is taken, and to submit additional questions to the court for the witness after questioning has been completed. The court may excuse the presence of the child's parent, guardian, or custodian from the room where the child is questioned in accordance with

subdivision 5.

Sec. 7. Minnesota Statutes 1986, section 260.155, subdivision 7, is amended to read:

Subd. 7. [FACTORS IN DETERMINING NEGLECT.] In determining whether a child is neglected and in foster care, the court shall consider, among other factors, the following:

- (1) The length of time the child has been in foster care;
- (2) The effort the parent has made to adjust circumstances, conduct, or condition to make it in the child's best interest to be returned to the parent's home in the foreseeable future, including the use of rehabilitative services offered to the parent;
- (3) Whether the parent has visited the child within the ~~nine~~ three months preceding the filing of the petition, unless it was physically or financially impossible for the parent to visit or extreme financial or physical hardship or treatment for mental disability or chemical dependency or other good cause prevented the parent from visiting the child or it was not in the best interests of the child to be visited by the parent;
- (4) The maintenance of regular contact or communication with the agency or person temporarily responsible for the child;
- (5) The appropriateness and adequacy of services provided or offered to the parent to facilitate a reunion;
- (6) Whether additional services would be likely to bring about lasting parental adjustment enabling a return of the child to the parent within an ascertainable period of time; and
- (7) The nature of the effort made by the responsible social service agency to rehabilitate and reunite the family.

Sec. 8. Minnesota Statutes 1987 Supplement, section 260.221, is amended to read:

260.221 [GROUNDS FOR TERMINATION OF PARENTAL RIGHTS.]

Subdivision 1. [VOLUNTARY AND INVOLUNTARY.] The juvenile court may upon petition, terminate all rights of a parent to a child in the following cases:

(a) With the written consent of a parent who for good cause desires to terminate parental rights; or

(b) If it finds that one or more of the following conditions exist:

(1) That the parent has abandoned the child. *Abandonment is presumed when:*

(i) *the parent has had no contact or merely incidental contact with the child for six months in the case of a child under six years of age; or for 12 months in the case of a child ages six to 11; and*

(ii) *the social service agency has made reasonable efforts to facilitate contact, unless the parent establishes that an extreme financial or physical hardship or treatment for mental disability or chemical dependency or other good cause prevented the parent from making contact with the child. This presumption does not apply to children whose custody has been determined under chapter 257 or 518. The court is not prohibited from finding*

abandonment in the absence of this presumption; or

(2) That the parent has substantially, continuously, or repeatedly refused or neglected to comply with the duties imposed upon that parent by the parent and child relationship, including but not limited to providing the child with necessary food, clothing, shelter, education, and other care and control necessary for the child's physical, mental, or emotional health and development, if the parent is physically and financially able, *and reasonable efforts by the social service agency have failed to correct the conditions that formed the basis of the petition; or*

(3) That a parent has been ordered to contribute to the support of the child or financially aid in the child's birth and has continuously failed to do so without good cause. This clause shall not be construed to state a grounds for termination of parental rights of a noncustodial parent if that parent has not been ordered to or cannot financially contribute to the support of the child or aid in the child's birth; or

(4) That a parent is palpably unfit to be a party to the parent and child relationship because of a consistent pattern of specific conduct before the child or of specific conditions directly relating to the parent and child relationship either of which are determined by the court to be ~~permanently detrimental to the physical or mental health of the child~~ *of a duration or nature that renders the parent unable, for the reasonably foreseeable future, to care appropriately for the ongoing physical, mental, or emotional needs of the child; or*

(5) That following upon a determination of neglect or dependency, reasonable efforts, under the direction of the court, have failed to correct the conditions leading to the determination. *It is presumed that reasonable efforts under this clause have failed upon a showing that:*

(i) a child under the age of 12 has resided out of the parental home under court order for more than one year following an adjudication of dependency, neglect or neglected and in foster care, and an order for disposition under section 260.191, including adoption of the case plan required by section 257.071;

(ii) conditions leading to the determination will not be corrected within the reasonably foreseeable future; and

(iii) reasonable efforts have been made by the social service agency to rehabilitate the parent and reunite the family.

This clause does not prohibit the termination of parental rights prior to one year after a child has been placed out of the home; or

(6) That in the case of a child born to a mother who was not married to the child's father when the child was conceived nor when the child was born the person is not entitled to notice of an adoption hearing under section 259.26 and either the person has not filed a notice of intent to retain parental rights under section 259.261 or that the notice has been successfully challenged; or

(7) That the child is neglected and in foster care.

Subd. 2. [ADOPTIVE PARENT.] For purposes of subdivision 1, clause (a), an adoptive parent may not terminate parental rights to an adopted child for a reason that would not apply to a birth parent seeking termination of parental rights to a child under subdivision 1, clause (a).

Subd. 3. [WHEN PRIOR FINDING REQUIRED.] For purposes of subdivision 1, clause (b), no prior judicial finding of dependency, neglect, or neglected and in foster care is required, except as provided in subdivision 1, clause (b), item (5).

Subd. 4. [BEST INTERESTS OF CHILD PARAMOUNT.] In any proceeding under this section, the best interests of the child must be the paramount consideration, provided that the conditions in subdivision 1, clause (a), or at least one condition in subdivision 1, clause (b), are found by the court. In proceedings involving an American Indian child, as defined in section 257.351, subdivision 6, the best interests of the child must be determined consistent with the Indian Child Welfare Act of 1978, United States Code, title 25, section 1901, et seq. Where the interests of parent and child conflict, the interests of the child are paramount.

Subd. 5. [FINDINGS REGARDING REASONABLE EFFORTS.] In any proceeding under this section, the court shall make specific findings regarding the nature and extent of efforts made by the social service agency to rehabilitate the parent and reunite the family.

Sec. 9. [STUDY.]

By January 1, 1989, the commissioner of human services shall study and make recommendations to the legislature on what constitutes reasonable efforts by the social service agency to provide families with placement prevention and family reunification services and under what circumstances information and notice should be provided to parents. The commissioner shall consult with community-based family advocacy organizations, representatives of minority communities, groups representing mentally or physically disabled children and their families, representatives of public and private social service agencies, members of the judiciary, and attorneys who represent all parties in juvenile protection proceedings.

Sec. 10. [EFFECTIVE DATE; APPLICATION.]

This act is effective August 1, 1988, and applies to petitions for termination of parental rights filed and placements begun on and after that date."

Delete the title and insert:

"A bill for an act relating to termination of parental rights; clarifying the purposes of the laws on termination of parental rights; altering certain grounds and procedures for termination of parental rights; providing for a study of placement prevention and family reunification services; amending Minnesota Statutes 1986, sections 257.071, subdivisions 3 and 4; 260.011, subdivision 2; 260.012; 260.015, subdivision 10; and 260.155, subdivisions 4a and 7; and Minnesota Statutes 1987 Supplement, section 260.221."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was re-referred

S.F. No. 2277: A bill for an act relating to education; establishing a records destruction schedule for chemical abuse preassessment teams; requiring law enforcement reports of certain violations to preassessment teams; amending Minnesota Statutes 1987 Supplement, sections 126.034; 126.035; 126.037; and 260.161, subdivision 3; proposing coding for new

law in Minnesota Statutes, chapter 126; repealing Minnesota Statutes 1987 Supplement, section 126.033, subdivision 4.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1987 Supplement, section 126.034, is amended to read:

126.034 [SCHOOL PREASSESSMENT TEAMS.]

Every public school, and every nonpublic school that participates in a school district chemical abuse program shall establish a chemical abuse preassessment team. The preassessment team must be composed of classroom teachers, administrators, and to the extent possible they exist in each school, school nurse, school counselor or psychologist, social worker, chemical abuse specialist, and other appropriate professional staff. The superintendents or their designees shall designate the team members in the public schools. The preassessment team is responsible for addressing reports of chemical abuse problems and making recommendations for appropriate responses to the individual reported cases.

Within 45 days after receiving an individual reported case, the preassessment team shall make a determination whether to provide the student and, in the case of a minor, the student's parents with information about school and community services in connection with chemical abuse. Data may be disclosed without consent in health and safety emergencies pursuant to section 13.32 and applicable federal law and regulations.

Notwithstanding section 138.163, destruction of records identifying individual students shall be governed by this section. If the preassessment team decides not to provide a student and, in the case of a minor, the student's parents with information about school or community services in connection with chemical abuse, records created or maintained by the preassessment team about the student shall be destroyed not later than six months after the determination is made. If the preassessment team decides to provide a student and, in the case of a minor, the student's parents with information about school or community services in connection with chemical abuse, records created or maintained by the preassessment team about the student shall be destroyed not later than six months after the student is no longer enrolled in the district.

Sec. 2. Minnesota Statutes 1987 Supplement, section 126.035, is amended to read:

126.035 [SCHOOL AND COMMUNITY ADVISORY TEAM.]

The superintendent, with the advice of the school board, shall establish a school and community advisory team to address chemical abuse problems in the district. The school and community advisory team must be composed of representatives from the school preassessment team established in section 126.034, to the extent possible, law enforcement agencies, county attorney's office, social service agencies, chemical abuse treatment programs, parents, and the business community. The community advisory team shall:

(1) build awareness of the problem within the community, identify available treatment and counseling programs for students and develop good working relationships and enhance communication between the schools

and other community agencies; *and*

(2) develop a written procedure clarifying the notification process to be used by the chemical abuse preassessment team established under section 126.034 when a student is believed to be in possession of or under the influence of alcohol or a controlled substance. The procedure must include contact with the student, and the student's parents or guardian; *and*

(3) develop a written memorandum of understanding between school personnel and law enforcement agencies identifying when the school shall notify the local law enforcement agency that a violation of its drug and alcohol policy has occurred, and when the law enforcement agency shall notify the school chemical abuse preassessment team of incidents occurring off the school premises involving chemical abuse by students enrolled in that school pursuant to the possession or purchase of alcohol in violation of section 340A.503, subdivision 2 or 3, or in the case of controlled substances, a violation of section 152.09, subdivision 1 in the case of a minor student.

Sec. 3. [126.036] [LAW ENFORCEMENT RECORDS.]

A law enforcement agency shall provide notice of any drug incident occurring within the agency's jurisdiction, in which the agency has probable cause to believe a student violated section 152.09, subdivision 1, or 340A.503, subdivision 1, 2, or 3. The notice shall be in writing and shall be provided, within two weeks after an incident occurs, to the chemical abuse preassessment team in the school where the student is enrolled.

Sec. 4. Minnesota Statutes 1987 Supplement, section 126.037, is amended to read:

126.037 [REPORTING; CHEMICAL ABUSE.]

Subdivision 1. [TEACHER'S DUTY.] A teacher in a nonpublic school participating in a school district chemical use program, or a public school teacher, who knows or has reason to believe that a student is using, possessing, or transferring alcohol or a controlled substance while on the school premises or involved in school-related activities, shall immediately notify the school's chemical abuse preassessment team of this information. A teacher who complies with this section shall be defended and indemnified under section 466.07, subdivision 1, in any action for damages arising out of the compliance.

Subd. 2. [OTHER REPORTS.] Nothing in this section prevents a teacher or any other school employee from reporting to a law enforcement agency any violation of law occurring on school premises or at school sponsored events.

Sec. 5. Minnesota Statutes 1987 Supplement, section 260.161, subdivision 3, is amended to read:

Subd. 3. Peace officers' records of children shall be kept separate from records of persons 18 years of age or older and shall not be open to public inspection or their contents disclosed to the public except by order of the juvenile court or except as required by a written memorandum of understanding adopted under section 126.035 section 3 or as authorized under chapter 13; except that traffic investigation reports may be open to inspection by a person who has sustained physical harm or economic loss as a result of the traffic accident. No photographs of a child taken into custody may be taken without the consent of the juvenile court unless the child is

alleged to have violated section 169.121 or 169.129. Any person violating any of the provisions of this subdivision shall be guilty of a misdemeanor.

Sec. 6. [REPEALER.]

Minnesota Statutes 1987 Supplement, section 126.033, subdivision 4, is repealed."

Delete the title and insert:

"A bill for an act relating to education; establishing a records destruction schedule for chemical abuse preassessment teams; requiring law enforcement reports of certain violations to preassessment teams; amending Minnesota Statutes 1987 Supplement, sections 126.034; 126.035; 126.037; and 260.161, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 126; repealing Minnesota Statutes 1987 Supplement, section 126.033, subdivision 4."

And when so amended the bill do pass. Mr. Storm questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was referred

H.F. No. 1704: A bill for an act relating to taxation; property tax refunds; restoring the full amount for 1986 claims; removing the appropriation limit for 1987 claims; appropriating money; amending Laws 1987, chapter 268, article 3, section 12.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2388 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2388	2414				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2388 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2388 and insert the language after the enacting clause of S.F. No. 2414, the first engrossment; further, delete the title of H.F. No. 2388 and insert the title of S.F. No. 2414, the first engrossment.

And when so amended H.F. No. 2388 will be identical to S.F. No. 2414, and further recommends that H.F. No. 2388 be given its second reading and substituted for S.F. No. 2414, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2232 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2232	2244				

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1980 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1980	2344				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1980 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1980 and insert the language after the enacting clause of S.F. No. 2344, the first engrossment; further, delete the title of H.F. No. 1980 and insert the title of S.F. No. 2344, the first engrossment.

And when so amended H.F. No. 1980 will be identical to S.F. No. 2344, and further recommends that H.F. No. 1980 be given its second reading and substituted for S.F. No. 2344, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2490 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2490	2238				

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1957 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1957	2207				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1957 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1957 and insert the language after the enacting clause of S.F. No. 2207, the first engrossment; further, delete the title of H.F. No. 1957 and insert the title of S.F. No. 2207, the first engrossment.

And when so amended H.F. No. 1957 will be identical to S.F. No. 2207, and further recommends that H.F. No. 1957 be given its second reading and substituted for S.F. No. 2207, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2000 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2000	1741				

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1585 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1585	1427				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1585 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1585 and insert the language after the enacting clause of S.F. No. 1427, the first engrossment; further, delete the title of H.F. No. 1585 and insert the title of S.F. No. 1427, the first engrossment.

And when so amended H.F. No. 1585 will be identical to S.F. No. 1427, and further recommends that H.F. No. 1585 be given its second reading and substituted for S.F. No. 1427, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1897 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1897	1802				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1897 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1897 and insert the language after the enacting clause of S.F. No. 1802, the first engrossment; further, delete the title of H.F. No. 1897 and insert the title of S.F. No. 1802, the first engrossment.

And when so amended H.F. No. 1897 will be identical to S.F. No. 1802, and further recommends that H.F. No. 1897 be given its second reading and substituted for S.F. No. 1802, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2703 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2703	2471				

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2059 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2059	1820				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2059 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2059 and insert the language after the enacting clause of S.F. No. 1820, the first engrossment; further, delete the title of H.F. No. 2059 and insert the title of S.F. No. 1820, the first engrossment.

And when so amended H.F. No. 2059 will be identical to S.F. No. 1820, and further recommends that H.F. No. 2059 be given its second reading and substituted for S.F. No. 1820, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1939 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1939	1743				

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2554 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2554	2210				

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2155 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
				2155	2212

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2155 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2155 and insert the language after the enacting clause of S.F. No. 2212, the second engrossment; further, delete the title of H.F. No. 2155 and insert the title of S.F. No. 2212, the second engrossment.

And when so amended H.F. No. 2155 will be identical to S.F. No. 2212, and further recommends that H.F. No. 2155 be given its second reading and substituted for S.F. No. 2212, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2190 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
				2190	2046

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2190 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2190 and insert the language after the enacting clause of S.F. No. 2046, the second engrossment; further, delete the title of H.F. No. 2190 and insert the title of S.F. No. 2046, the second engrossment.

And when so amended H.F. No. 2190 will be identical to S.F. No. 2046, and further recommends that H.F. No. 2190 be given its second reading and substituted for S.F. No. 2046, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2049 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2049	1844				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2049 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2049 and insert the language after the enacting clause of S.F. No. 1844, the first engrossment; further, delete the title of H.F. No. 2049 and insert the title of S.F. No. 1844, the first engrossment.

And when so amended H.F. No. 2049 will be identical to S.F. No. 1844, and further recommends that H.F. No. 2049 be given its second reading and substituted for S.F. No. 1844, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1983 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1983	2125				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1983 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1983 and insert the language after the enacting clause of S.F. No. 2125, the first engrossment; further, delete the title of H.F. No. 1983 and insert the title of S.F. No. 2125, the first engrossment.

And when so amended H.F. No. 1983 will be identical to S.F. No. 2125, and further recommends that H.F. No. 1983 be given its second reading and substituted for S.F. No. 2125, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2246 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2246	2405				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2246 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2246 and insert the language after the enacting clause of S.F. No. 2405, the first engrossment; further, delete the title of H.F. No. 2246 and insert the title of S.F. No. 2405, the first engrossment.

And when so amended H.F. No. 2246 will be identical to S.F. No. 2405, and further recommends that H.F. No. 2246 be given its second reading and substituted for S.F. No. 2405, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1935 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1935	1838				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1935 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1935 and insert the language after the enacting clause of S.F. No. 1838, the first engrossment; further, delete the title of H.F. No. 1935 and insert the title of S.F. No. 1838, the first engrossment.

And when so amended H.F. No. 1935 will be identical to S.F. No. 1838, and further recommends that H.F. No. 1935 be given its second reading and substituted for S.F. No. 1838, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2041 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2041	1996				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2041 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2041 and insert the language after the enacting clause of S.F. No. 1996, the first engrossment; further, delete the title of H.F. No. 2041 and insert the title of S.F. No. 1996, the first engrossment.

And when so amended H.F. No. 2041 will be identical to S.F. No. 1996, and further recommends that H.F. No. 2041 be given its second reading and substituted for S.F. No. 1996, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

SECOND READING OF HOUSE BILLS

H.F. Nos. 577, 1704, 2388, 2232, 1980, 2490, 1957, 2000, 1585, 1897, 2703, 2059, 1939, 2554, 2155, 2190, 2049, 1983, 2246, 1935 and 2041

were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Marty moved that the name of Mr. Laidig be added as a co-author to S.F. No. 1761. The motion prevailed.

Mr. Davis moved that the name of Mr. DeCramer be added as a co-author to S.F. No. 2150. The motion prevailed.

Mr. Bertram moved that Senate Resolution No. 115 be taken from the table. The motion prevailed.

Senate Resolution No. 115: A Senate resolution proclaiming April 9 as American Ex-Prisoner of War Recognition Day in Minnesota.

WHEREAS, thousands of Minnesota service men and women have served the United States honorably, and through events and circumstances of war beyond their control, have been imprisoned by enemy forces; and

WHEREAS, these prisoners of war from the Civil War through the conflicts of the present century, have survived their ordeal; and

WHEREAS, these men and women bore valiantly the cruelties of their captors, and the loss of their freedom; and

WHEREAS, these ex-prisoners of war bear the scars of their incarceration and the insensitivity of society; and

WHEREAS, they are imminently deserving of the recognition of their fellow citizens, and have earned the right to wear their "badge of courage" proudly; NOW, THEREFORE,

BE IT RESOLVED by the Senate of the State of Minnesota that it proclaims April 9 of 1988, and every succeeding year, American Ex-Prisoner of War Recognition Day in the State of Minnesota.

BE IT FURTHER RESOLVED that the Secretary of the Senate is directed to prepare an enrolled copy of this resolution, to be authenticated by his signature and that of the Chairman of the Senate Rules and Administration Committee.

Mr. Bertram moved the adoption of the foregoing resolution. The motion prevailed. So the resolution was adopted.

Mr. Bertram moved that S.F. No. 1598, No. 60 on General Orders, be stricken and re-referred to the Committee on Environment and Natural Resources. The motion prevailed.

Mr. Morse moved that S.F. No. 2406, No. 82 on General Orders, be stricken and re-referred to the Committee on Agriculture. The motion prevailed.

Mr. Schmitz moved that S.F. No. 1688, No. 5 on General Orders, be stricken and re-referred to the Committee on Local and Urban Government. The motion prevailed.

Mr. Jude moved that S.F. No. 1944, No. 103 on General Orders, be stricken and re-referred to the Committee on Judiciary. The motion prevailed.

Mr. Chmielewski moved that S.F. No. 2368, No. 78 on General Orders, be stricken and returned to its author. The motion prevailed.

SUSPENSION OF RULES

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the Calendar and that the rules of the Senate be so far suspended as to waive the lie-over requirement. The motion prevailed.

CALENDAR

S.F. No. 2217: A bill for an act relating to state lands; authorizing transfer of certain state lands in Ramsey county to the city of Mounds View.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.J.	Mehrkens	Purfeerst
Anderson	Davis	Jude	Merriam	Ramstad
Beckman	Decker	Knaak	Metzen	Renneke
Belanger	DeCramer	Knutson	Moe, D.M.	Samuelson
Benson	Dicklich	Kroening	Moe, R.D.	Schmitz
Berg	Diessner	Laidig	Morse	Spear
Berglin	Frank	Langseth	Novak	Storm
Bernhagen	Frederick	Lantry	Olson	Stumpf
Bertram	Frederickson, D.J.	Larson	Pehler	Taylor
Brandl	Frederickson, D.R.	Lessard	Peterson, D.C.	Vickerman
Brataas	Freeman	Luther	Peterson, R.W.	Waldorf
Chmielewski	Hughes	Marty	Piper	Wegscheid
Cohen	Johnson, D.E.	McQuaid	Pogemiller	

So the bill passed and its title was agreed to.

S.F. No. 2090: A bill for an act relating to state lands; authorizing a certain conveyance by the commissioner of natural resources to the city of Big Fork.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.J.	Mehrkens	Purfeerst
Anderson	Davis	Jude	Merriam	Ramstad
Beckman	Decker	Knaak	Metzen	Renneke
Belanger	DeCramer	Knutson	Moe, D.M.	Samuelson
Benson	Dicklich	Kroening	Moe, R.D.	Schmitz
Berg	Diessner	Laidig	Morse	Spear
Berglin	Frank	Langseth	Novak	Storm
Bernhagen	Frederick	Lantry	Olson	Stumpf
Bertram	Frederickson, D.J.	Larson	Pehler	Taylor
Brandl	Frederickson, D.R.	Lessard	Peterson, D.C.	Vickerman
Brataas	Freeman	Luther	Peterson, R.W.	Waldorf
Chmielewski	Hughes	Marty	Piper	Wegscheid
Cohen	Johnson, D.E.	McQuaid	Pogemiller	

So the bill passed and its title was agreed to.

S.F. No. 1328: A bill for an act relating to public safety; altering certain requirements concerning fencing of unused mine pits and shafts; providing modification to certain public and private liability laws; providing penalties;

amending Minnesota Statutes 1986, sections 87.024; 180.01; 180.03, subdivisions 2 and 3; 180.06; 180.10; 466.03, subdivisions 6c and 13; Minnesota Statutes 1987 Supplement, sections 3.732, subdivision 1; and 3.736, subdivision 3.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called; and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.J.	Mehrkens	Purfeerst
Anderson	Davis	Jude	Merriam	Ramstad
Beckman	Decker	Knaak	Metzen	Renneke
Belanger	DeCramer	Knutson	Moe, D.M.	Samuelson
Benson	Dicklich	Kroening	Moe, R.D.	Schmitz
Berg	Diessner	Laidig	Morse	Spear
Berglin	Frank	Langseth	Novak	Storm
Bernhagen	Frederick	Lantry	Olson	Stumpf
Bertram	Frederickson, D.J.	Larson	Pehler	Taylor
Brandl	Frederickson, D.R.	Lessard	Peterson, D.C.	Vickerman
Brataas	Freeman	Luther	Peterson, R.W.	Waldorf
Chmielewski	Hughes	Marty	Piper	Wegscheid
Cohen	Johnson, D.E.	McQuaid	Pogemiller	

So the bill passed and its title was agreed to.

H.F. No. 2312: A bill for an act relating to natural resources; authorizing the commissioner of natural resources to sell certain lands in Itasca county.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.J.	Mehrkens	Purfeerst
Anderson	Davis	Jude	Merriam	Ramstad
Beckman	Decker	Knaak	Metzen	Renneke
Belanger	DeCramer	Knutson	Moe, D.M.	Samuelson
Benson	Dicklich	Kroening	Moe, R.D.	Spear
Berg	Diessner	Laidig	Morse	Storm
Berglin	Frank	Langseth	Novak	Stumpf
Bernhagen	Frederick	Lantry	Olson	Taylor
Bertram	Frederickson, D.J.	Larson	Pehler	Vickerman
Brandl	Frederickson, D.R.	Lessard	Peterson, D.C.	Waldorf
Brataas	Freeman	Luther	Peterson, R.W.	Wegscheid
Chmielewski	Hughes	Marty	Piper	
Cohen	Johnson, D.E.	McQuaid	Pogemiller	

So the bill passed and its title was agreed to.

S.F. No. 2214: A bill for an act relating to natural resources; authorizing the commissioner to sell certain surplus lands to local governments for local recreation or natural resource purposes; authorizing the commissioner of natural resources to convey road and flowage easements in certain circumstances; transferring duties and powers of county auditors and treasurers relating to sales of certain classes of state land to the commissioner; transferring the authority to issue state land patents from the governor to the commissioner; specifying the amount above appraised value that the commissioner may pay when acquiring land; authorizing long-term leases of state land for certain purposes; modifying certain provisions of land exchange laws relating to appraisals and fees; implementing exchanges of

public land authorized by the constitution; authorizing exchange of school trust land located within a state park; appointing an independent trustee and legal counsel for land exchanges involving school trust land; providing a procedure for exchange of Class B land with Class A or Class C land; authorizing governmental units to exchange land in the same manner as private persons; amending Minnesota Statutes 1986, sections 84.027, by adding a subdivision; 84.631; 85.015, subdivision 1; 92.16, subdivision 1; 92.23; 92.24; 92.26; 92.27; 92.29; 92.50, subdivision 1; 94.342, subdivision 3, and by adding subdivisions; 94.343, subdivisions 3 and 9; 94.344, subdivisions 1, 3, 7, and 10; 94.348; Minnesota Statutes 1987 Supplement, sections 84.0272; and 105.392, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 84 and 92; repealing Minnesota Statutes 1986, section 92.25.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.J.	Mehrkens	Ramstad
Anderson	Davis	Jude	Merriam	Renneke
Beckman	Decker	Knaak	Metzen	Samuelson
Belanger	DeCramer	Knutson	Moe, D.M.	Schmitz
Benson	Dicklich	Kroening	Moe, R.D.	Spear
Berg	Diessner	Laidig	Morse	Storm
Berglin	Frank	Langseth	Novak	Stumpf
Bernhagen	Frederick	Lantry	Olson	Taylor
Bertram	Frederickson, D.J.	Larson	Pehler	Vickerman
Brandl	Frederickson, D.R.	Lessard	Peterson, R.W.	Waldorf
Brataas	Freeman	Luther	Piper	Wegscheid
Chmielewski	Hughes	Marty	Pogemiller	
Cohen	Johnson, D.E.	McQuaid	Purfeerst	

So the bill passed and its title was agreed to.

S.F. No. 1689: A bill for an act relating to game and fish; prescribing limits and seasons for angling in the Rainy River; proposing coding for new law in Minnesota Statutes, chapter 97C; repealing Minnesota Statutes 1987 Supplement, section 97C.402.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Merriam	Ramstad
Anderson	Decker	Knaak	Metzen	Reichgott
Beckman	DeCramer	Knutson	Moe, D.M.	Renneke
Belanger	Dicklich	Kroening	Moe, R.D.	Samuelson
Benson	Diessner	Laidig	Morse	Schmitz
Berg	Frank	Langseth	Novak	Spear
Bernhagen	Frederick	Lantry	Olson	Storm
Bertram	Frederickson, D.J.	Larson	Pehler	Stumpf
Brandl	Frederickson, D.R.	Lessard	Peterson, D.C.	Taylor
Brataas	Freeman	Luther	Peterson, R.W.	Vickerman
Chmielewski	Hughes	Marty	Piper	Waldorf
Cohen	Johnson, D.E.	McQuaid	Pogemiller	Wegscheid
Dahl	Johnson, D.J.	Mehrkens	Purfeerst	

So the bill passed and its title was agreed to.

S.F. No. 1674: A bill for an act relating to environment; prescribing criminal penalties for violation of certain statutes, rules, or permits relating to pollution control; amending Minnesota Statutes 1987 Supplement, section 115.071, subdivision 2; and 609.671.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.J.	Mehrkens	Purfeerst
Anderson	Davis	Jude	Merriam	Ramstad
Beckman	Decker	Knaak	Metzen	Reichgott
Belanger	DeCramer	Knutson	Moe, D.M.	Renneke
Benson	Dicklich	Kroening	Moe, R.D.	Samuelson
Berg	Diessner	Laidig	Morse	Schmitz
Berglin	Frank	Langseth	Novak	Spear
Bernhagen	Frederick	Lantry	Olson	Storm
Bertram	Frederickson, D.J.	Larson	Pehler	Stumpf
Brandl	Frederickson, D.R.	Lessard	Peterson, D.C.	Taylor
Brataas	Freeman	Luther	Peterson, R.W.	Vickerman
Chmielewski	Hughes	Marty	Piper	Waldorf
Cohen	Johnson, D.E.	McQuaid	Pogemiller	Wegscheid

So the bill passed and its title was agreed to.

S.F. No. 1388: A bill for an act relating to health; setting forth requirements for statements of exclusions and limitations; requiring detailed statement when coverage is denied; clarifying statement of enrollee bill of rights; setting forth requirements for marketing materials; requiring membership card; requiring written denial of service; prohibiting denial of coverage in certain circumstances; requiring report; amending Minnesota Statutes 1986, sections 62D.07, subdivision 3; 62D.09, subdivision 1, and by adding subdivisions; 62D.11, by adding subdivisions; and 62D.20.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.J.	Mehrkens	Purfeerst
Anderson	Davis	Jude	Merriam	Ramstad
Beckman	Decker	Knaak	Metzen	Reichgott
Belanger	DeCramer	Knutson	Moe, D.M.	Renneke
Benson	Dicklich	Kroening	Moe, R.D.	Samuelson
Berg	Diessner	Laidig	Morse	Schmitz
Berglin	Frank	Langseth	Novak	Spear
Bernhagen	Frederick	Lantry	Olson	Storm
Bertram	Frederickson, D.J.	Larson	Pehler	Stumpf
Brandl	Frederickson, D.R.	Lessard	Peterson, D.C.	Taylor
Brataas	Freeman	Luther	Peterson, R.W.	Vickerman
Chmielewski	Hughes	Marty	Piper	Waldorf
Cohen	Johnson, D.E.	McQuaid	Pogemiller	Wegscheid

So the bill passed and its title was agreed to.

H.F. No. 2120: A bill for an act relating to public meetings; authorizing the governing board of a joint vocational technical district to establish meeting sites; amending Minnesota Statutes 1986, section 136C.61, by adding a subdivision.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.J.	Mehrkens	Ramstad
Anderson	Davis	Jude	Merriam	Reichgott
Beckman	Decker	Knaak	Metzen	Renneke
Belanger	DeCramer	Knutson	Moe, D.M.	Samuelson
Benson	Dicklich	Kroening	Moe, R. D.	Schmitz
Berg	Diessner	Laidig	Morse	Spear
Berglin	Frank	Langseth	Novak	Storm
Bernhagen	Frederick	Lantry	Olson	Stumpf
Bertram	Frederickson, D.J.	Larson	Pehler	Taylor
Brandl	Frederickson, D.R.	Lessard	Peterson, D.C.	Vickerman
Brataas	Freeman	Luther	Peterson, R. W.	Waldorf
Chmielewski	Hughes	Marty	Piper	Wegscheid
Cohen	Johnson, D.E.	McQuaid	Purfeerst	

So the bill passed and its title was agreed to.

S.F. No. 2102: A bill for an act relating to the city of Minneapolis; authorizing the Minneapolis park and recreation board to establish compensation for its members; amending Laws 1974, chapter 181, section 1, as amended.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Merriam	Reichgott
Anderson	Decker	Knaak	Metzen	Samuelson
Belanger	DeCramer	Knutson	Moe, D.M.	Schmitz
Benson	Dicklich	Kroening	Moe, R. D.	Spear
Berg	Diessner	Laidig	Morse	Storm
Berglin	Frank	Langseth	Novak	Stumpf
Bernhagen	Frederick	Lantry	Olson	Taylor
Bertram	Frederickson, D.J.	Larson	Pehler	Vickerman
Brandl	Frederickson, D.R.	Lessard	Peterson, D.C.	Waldorf
Brataas	Freeman	Luther	Peterson, R. W.	Wegscheid
Chmielewski	Hughes	Marty	Piper	
Cohen	Johnson, D.E.	McQuaid	Purfeerst	
Dahl	Johnson, D.J.	Mehrkens	Ramstad	

Mr. Renneke voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 1652: A bill for an act relating to marriage dissolution; providing for the valuation of pension benefits; amending Minnesota Statutes 1987 Supplement, section 518.582, subdivision 1.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Jude	Merriam	Ramstad
Anderson	Decker	Knaak	Metzen	Reichgott
Beckman	DeCramer	Knutson	Moe, D.M.	Renneke
Belanger	Dicklich	Kroening	Moe, R.D.	Samuelson
Benson	Diessner	Laidig	Morse	Schmitz
Berg	Frank	Langseth	Novak	Spear
Berglin	Frederick	Lantry	Olson	Stumpf
Bernhagen	Frederickson, D.J.	Larson	Pehler	Taylor
Bertram	Frederickson, D.R.	Lessard	Peterson, D.C.	Vickerman
Brandl	Freeman	Luther	Peterson, R.W.	Waldorf
Brataas	Hughes	Marty	Piper	Wegscheid
Chmielewski	Johnson, D.E.	McQuaid	Pogemiller	
Cohen	Johnson, D.J.	Mehrkens	Purfeerst	

Mr. Davis voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 1744: A bill for an act relating to animals; regulating dangerous and potentially dangerous dogs; providing penalties; amending Minnesota Statutes 1986, sections 609.226; and 609.227; proposing coding for new law in Minnesota Statutes, chapter 347.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Jude	Merriam	Ramstad
Anderson	Davis	Knaak	Metzen	Reichgott
Beckman	Decker	Knutson	Moe, D.M.	Renneke
Belanger	DeCramer	Kroening	Moe, R.D.	Samuelson
Benson	Dicklich	Laidig	Morse	Schmitz
Berg	Frank	Langseth	Novak	Spear
Berglin	Frederick	Lantry	Olson	Storm
Bernhagen	Frederickson, D.J.	Larson	Pehler	Stumpf
Bertram	Frederickson, D.R.	Lessard	Peterson, D.C.	Taylor
Brandl	Freeman	Luther	Peterson, R.W.	Vickerman
Brataas	Hughes	Marty	Piper	Waldorf
Chmielewski	Johnson, D.E.	McQuaid	Pogemiller	Wegscheid
Cohen	Johnson, D.J.	Mehrkens	Purfeerst	

So the bill passed and its title was agreed to.

S.F. No. 1761: A bill for an act relating to crime; traffic safety; providing that operating a vehicle at a speed of 85 miles per hour or more is a misdemeanor; amending Minnesota Statutes 1986, section 169.13, subdivision 2.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Merriam	Reichgott
Anderson	Decker	Knaak	Metzen	Renneke
Beckman	DeCramer	Knutson	Moe, D.M.	Samuelson
Belanger	Dicklich	Kroening	Moe, R.D.	Schmitz
Benson	Diessner	Laidig	Morse	Spear
Berg	Frank	Langseth	Novak	Storm
Berglin	Frederick	Lantry	Olson	Stumpf
Bernhagen	Frederickson, D.J.	Larson	Pehler	Taylor
Bertram	Frederickson, D.R.	Lessard	Peterson, D.C.	Vickerman
Brandl	Freeman	Luther	Peterson, R.W.	Waldorf
Brataas	Hughes	Marty	Piper	Wegscheid
Cohen	Johnson, D.E.	McQuaid	Purfeerst	
Dahl	Johnson, D.J.	Mehrkens	Ramstad	

Messrs. Chmielewski and Pogemiller voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 1835: A bill for an act relating to crime; providing that burglary occurs if a person enters a building without consent and commits a crime while in the building; extending first degree burglary to instances where an assault occurs on the property appurtenant to the entered building; providing that it is a felony to possess tools used in theft; making technical corrections; amending Minnesota Statutes 1986, sections 609.582, subdivisions 1, 2, 3, and 4; and 609.59; Minnesota Statutes 1987 Supplement, sections 256.98, subdivision 1; 268.18, subdivision 3; 609.52, subdivision 3; 609.531, subdivision 1; 609.631, subdivision 4; 609.821, subdivision 3; and 628.26.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.J.	Mehrkens	Purfeerst
Anderson	Davis	Jude	Merriam	Ramstad
Beckman	Decker	Knaak	Metzen	Reichgott
Belanger	DeCramer	Knutson	Moe, D.M.	Renneke
Benson	Dicklich	Kroening	Moe, R.D.	Samuelson
Berg	Diessner	Laidig	Morse	Schmitz
Berglin	Frank	Langseth	Novak	Spear
Bernhagen	Frederick	Lantry	Olson	Storm
Bertram	Frederickson, D.J.	Larson	Pehler	Stumpf
Brandl	Frederickson, D.R.	Lessard	Peterson, D.C.	Taylor
Brataas	Freeman	Luther	Peterson, R.W.	Vickerman
Chmielewski	Hughes	Marty	Piper	Waldorf
Cohen	Johnson, D.E.	McQuaid	Pogemiller	Wegscheid

So the bill passed and its title was agreed to.

S.F. No. 994: A bill for an act relating to employment; providing workers' compensation to coverage for certain infectious diseases; amending Minnesota Statutes 1986, section 176.011, subdivision 15.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.J.	Mehrkens	Purfeerst
Anderson	Davis	Jude	Merriam	Ramstad
Beckman	Decker	Knaak	Metzen	Reichgott
Belanger	DeCramer	Knutson	Moe, D.M.	Renneke
Benson	Dicklich	Kroening	Moe, R. D.	Samuelson
Berg	Diessner	Laidig	Morse	Schmitz
Berglin	Frank	Langseth	Novak	Spear
Bernhagen	Frederick	Lantry	Olson	Storm
Bertram	Frederickson, D.J.	Larson	Pehler	Stumpf
Brandl	Frederickson, D.R.	Lessard	Peterson, D.C.	Taylor
Brataas	Freeman	Luther	Peterson, R. W.	Vickerman
Chmielewski	Hughes	Marty	Piper	Waldorf
Cohen	Johnson, D.E.	McQuaid	Pogemiller	Wegscheid

So the bill passed and its title was agreed to.

S.F. No. 1304: A bill for an act relating to workers' compensation; providing a presumption for finding an occupational disease in the case of firefighters having a disabling cancer; amending Minnesota Statutes 1986, section 176.011, subdivision 15.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.J.	Merriam	Reichgott
Anderson	Davis	Jude	Metzen	Renneke
Beckman	Decker	Knaak	Moe, R. D.	Samuelson
Belanger	DeCramer	Kroening	Morse	Schmitz
Benson	Dicklich	Laidig	Novak	Spear
Berg	Diessner	Langseth	Olson	Storm
Berglin	Frank	Lantry	Pehler	Stumpf
Bernhagen	Frederick	Larson	Peterson, D.C.	Taylor
Bertram	Frederickson, D.J.	Lessard	Peterson, R. W.	Vickerman
Brandl	Frederickson, D.R.	Luther	Piper	Waldorf
Brataas	Freeman	Marty	Pogemiller	Wegscheid
Chmielewski	Hughes	McQuaid	Purfeerst	
Cohen	Johnson, D.E.	Mehrkens	Ramstad	

So the bill passed and its title was agreed to.

S.F. No. 2376: A resolution memorializing the Congress of the United States to reinstate diesel fuel tax exemptions for farmers and other off-road users.

Was read the third time and placed on its final passage.

The question was taken on the passage of the resolution.

The roll was called, and there were yeas 61 and nays 3, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Jude	Metzen	Samuelson
Anderson	Davis	Knaak	Moe, R. D.	Schmitz
Beckman	Decker	Knutson	Morse	Spear
Belanger	DeCramer	Kroening	Novak	Storm
Benson	Dicklich	Laidig	Olson	Stumpf
Berg	Diessner	Langseth	Pehler	Taylor
Berglin	Frank	Larson	Peterson, D.C.	Vickerman
Bernhagen	Frederick	Lessard	Piper	Waldorf
Bertram	Frederickson, D.J.	Luther	Pogemiller	Wegscheid
Brandl	Frederickson, D.R.	Marty	Purfeerst	
Brataas	Hughes	McQuaid	Ramstad	
Chmielewski	Johnson, D.E.	Mehrkens	Reichgott	
Cohen	Johnson, D.J.	Merriam	Renneke	

Messrs. Freeman; Moe, D.M. and Peterson, R.W. voted in the negative.

So the resolution passed and its title was agreed to.

S.F. No. 1795: A bill for an act relating to alcoholic beverages; increasing the time period for notification to licensing authorities of cancellation of liquor liability insurance; specifying that hearings by licensing authorities on license suspensions or revocations need not be before an administrative hearing officer; amending Minnesota Statutes 1986, section 340A.409, subdivision 1; and Minnesota Statutes 1987 Supplement, section 340A.415.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.J.	Mehrkens	Ramstad
Anderson	Davis	Jude	Merriam	Reichgott
Beckman	Decker	Knaak	Metzen	Renneke
Belanger	DeCramer	Knutson	Moe, R.D.	Samuelson
Benson	Dicklich	Kroening	Morse	Schmitz
Berg	Diessner	Laidig	Novak	Spear
Berglin	Frank	Langseth	Olson	Storm
Bernhagen	Frederick	Lantry	Pehler	Stumpf
Bertram	Frederickson, D.J.	Larson	Peterson, D.C.	Taylor
Brandl	Frederickson, D.R.	Lessard	Peterson, R.W.	Vickerman
Brataas	Freeman	Luther	Piper	Waldorf
Chmielewski	Hughes	Marty	Pogemiller	Wegscheid
Cohen	Johnson, D.E.	McQuaid	Purfeerst	

So the bill passed and its title was agreed to.

S.F. No. 1700: A bill for an act relating to metropolitan government; scheduling the payment of certain watershed improvement costs; amending Minnesota Statutes 1986, section 473.883, subdivisions 2 and 4.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.J.	Mehrkens	Purfeerst
Anderson	Davis	Jude	Merriam	Ramstad
Beckman	Decker	Knaak	Metzen	Reichgott
Belanger	DeCramer	Knutson	Moe, D.M.	Renneke
Benson	Dicklich	Kroening	Moe, R.D.	Samuelson
Berg	Diessner	Laidig	Morse	Schmitz
Berglin	Frank	Langseth	Novak	Spear
Bernhagen	Frederick	Lantry	Olson	Storm
Bertram	Frederickson, D.J.	Larson	Pehler	Stumpf
Brandl	Frederickson, D.R.	Lessard	Peterson, D.C.	Taylor
Brataas	Freeman	Luther	Peterson, R.W.	Vickerman
Chmielewski	Hughes	Marty	Piper	Waldorf
Cohen	Johnson, D.E.	McQuaid	Pogemiller	Wegscheid

So the bill passed and its title was agreed to.

S.F. No. 1695: A bill for an act relating to education; prohibiting aversive and deprivation procedures for handicapped children with certain exceptions; requiring the state board of education to adopt rules; proposing coding for new law in Minnesota Statutes, chapter 127.

With the unanimous consent of the Senate, Ms. Peterson, D.C. moved to amend S.F. No. 1695 as follows:

Page 1, delete line 26

Page 2, delete lines 1 to 6

Page 2, line 7, delete "Subd. 2. [ADOPTION OF RULES.]"

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon

Page 1, delete line 3

Page 1, line 4, delete "certain exceptions;"

Page 1, line 5, after "rules" insert "regulating aversive and deprivation procedures"

The motion prevailed. So the amendment was adopted.

S.F. No. 1695 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.J.	Mehrkens	Purfeerst
Anderson	Davis	Jude	Merriam	Ramstad
Beckman	Decker	Knaak	Metzen	Reichgott
Belanger	DeCramer	Knutson	Moe, D.M.	Renneke
Benson	Dicklich	Kroening	Moe, R.D.	Samuelson
Berg	Diessner	Laidig	Morse	Schmitz
Berglin	Frank	Langseth	Novak	Spear
Bernhagen	Frederick	Lantry	Olson	Storm
Bertram	Frederickson, D.J.	Larson	Pehler	Stumpf
Brandl	Frederickson, D.R.	Lessard	Peterson, D.C.	Taylor
Brataas	Freeman	Luther	Peterson, R.W.	Vickerman
Chmielewski	Hughes	Marty	Piper	Waldorf
Cohen	Johnson, D.E.	McQuaid	Pogemiller	Wegscheid

So the bill, as amended, passed and its title was agreed to.

S.F. No. 974: A resolution memorializing the President, Congress, and the Federal Aviation Administration to accelerate the modernization of commercial aircraft fleets operating in and to the United States by requiring the use of quieter, Stage 3 aircraft.

Was read the third time and placed on its final passage.

The question was taken on the passage of the resolution.

The roll was called; and there were yeas 61 and nays 3, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Moe, D.M.	Renneke
Anderson	Decker	Knutson	Moe, R.D.	Samuelson
Beckman	DeCramer	Kroening	Morse	Schmitz
Belanger	Dicklich	Laidig	Novak	Spear
Benson	Diessner	Langseth	Olson	Storm
Berg	Frank	Lantry	Pehler	Stumpf
Berglin	Frederick	Larson	Peterson, D.C.	Vickerman
Bernhagen	Frederickson, D.J.	Lessard	Peterson, R.W.	Waldorf
Bertram	Frederickson, D.R.	Luther	Piper	Wegscheid
Brandl	Freeman	Marty	Pogemiller	
Chmielewski	Hughes	McQuaid	Purfeerst	
Cohen	Johnson, D.E.	Mehrkens	Ramstad	
Dahl	Johnson, D.J.	Metzen	Reichgott	

Mrs. Brataas, Messrs. Knaak and Merriam voted in the negative.

So the resolution passed and its title was agreed to.

S.F. No. 1800: A bill for an act relating to commerce; exempting certain educational foundations from public disclosure requirements; amending Minnesota Statutes 1987 Supplement, section 309.556, by adding a subdivision.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Merriam	Ramstad
Anderson	Decker	Knaak	Metzen	Reichgott
Beckman	DeCramer	Knutson	Moe, D.M.	Renneke
Belanger	Dicklich	Kroening	Moe, R.D.	Samuelson
Benson	Diessner	Laidig	Morse	Schmitz
Berg	Frank	Langseth	Novak	Spear
Berglin	Frederick	Lantry	Olson	Storm
Bertram	Frederickson, D.J.	Larson	Pehler	Stumpf
Brandl	Frederickson, D.R.	Lessard	Peterson, D.C.	Taylor
Brataas	Freeman	Luther	Peterson, R.W.	Vickerman
Chmielewski	Hughes	Marty	Piper	Waldorf
Cohen	Johnson, D.E.	McQuaid	Pogemiller	Wegscheid
Dahl	Johnson, D.J.	Mehrkens	Purfeerst	

So the bill passed and its title was agreed to.

S.F. No. 1882: A bill for an act relating to education; requiring school districts to make certain accommodations for lactose intolerant children, if requested; proposing coding for new law in Minnesota Statutes, chapter 124.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.J.	Merriam	Ramstad
Anderson	Davis	Jude	Metzen	Reichgott
Beckman	Decker	Knaak	Moe, D.M.	Renneke
Belanger	DeCramer	Kroening	Moe, R.D.	Samuelson
Benson	Dicklich	Laidig	Morse	Schmitz
Berg	Diessner	Langseth	Novak	Spear
Berglin	Frank	Lantry	Olson	Storm
Bernhagen	Frederick	Larson	Pehler	Stumpf
Bertram	Frederickson, D.J.	Lessard	Peterson, D.C.	Taylor
Brandl	Frederickson, D.R.	Luther	Peterson, R.W.	Vickerman
Brataas	Freeman	Marty	Piper	Waldorf
Chmielewski	Hughes	McQuaid	Pogemiller	Wegscheid
Cohen	Johnson, D.E.	Mehrkens	Purfeerst	

So the bill passed and its title was agreed to.

S.F. No. 1681: A bill for an act relating to insurance; accident and health; exempting child health supervision services and perinatal care services from any requirement of coinsurance or dollar limitation; proposing coding for new law in Minnesota Statutes, chapter 62A.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Merriam	Reichgott
Anderson	Decker	Knaak	Metzen	Renneke
Beckman	DeCramer	Knutson	Moe, D.M.	Samuelson
Belanger	Dicklich	Kroening	Moe, R.D.	Schmitz
Benson	Diessner	Laidig	Morse	Solon
Berg	Frank	Langseth	Novak	Spear
Berglin	Frederick	Lantry	Olson	Storm
Bernhagen	Frederickson, D.J.	Larson	Pehler	Stumpf
Bertram	Frederickson, D.R.	Lessard	Peterson, D.C.	Taylor
Brataas	Freeman	Luther	Peterson, R.W.	Vickerman
Chmielewski	Hughes	Marty	Pogemiller	Waldorf
Cohen	Johnson, D.E.	McQuaid	Purfeerst	Wegscheid
Dahl	Johnson, D.J.	Mehrkens	Ramstad	

So the bill passed and its title was agreed to.

S.F. No. 2097: A bill for an act relating to the board of the arts; regulating distribution of funds to regional arts councils; regulating conflict of interest; amending Minnesota Statutes 1986, section 139.10.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 59 and nays 7, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Johnson, D.E.	Marty	Purfeerst
Anderson	Dahl	Johnson, D.J.	McQuaid	Ramstad
Beckman	Davis	Jude	Mehrkens	Reichgott
Belanger	Decker	Knaak	Metzen	Samuelson
Benson	Dicklich	Knutson	Moe, D.M.	Schmitz
Berg	Diessner	Kroening	Moe, R.D.	Solon
Berglin	Frank	Laidig	Morse	Storm
Bernhagen	Frederick	Langseth	Novak	Stumpf
Bertram	Frederickson, D.J.	Lantry	Pehler	Taylor
Brandl	Frederickson, D.R.	Larson	Peterson, D.C.	Waldorf
Brataas	Freeman	Lessard	Piper	Wegscheid
Chmielewski	Hughes	Luther	Pogemiller	

Those who voted in the negative were:

DeCramer	Olson	Renneke	Spear	Vickerman
Merriam	Peterson, R.W.			

So the bill passed and its title was agreed to.

S.F. No. 2191: A bill for an act relating to animals; modifying regulations of kennels and dealers of certain animals used for research purposes; amending Minnesota Statutes 1987 Supplement, sections 347.31, subdivision 4; and 347.37.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Metzen	Reichgott
Anderson	Decker	Knaak	Moe, D.M.	Renneke
Beckman	DeCramer	Knutson	Moe, R.D.	Samuelson
Belanger	Dicklich	Laidig	Morse	Schmitz
Berg	Diessner	Langseth	Novak	Solon
Berglin	Frank	Lantry	Olson	Spear
Bernhagen	Frederick	Larson	Pehler	Storm
Bertram	Frederickson, D.J.	Lessard	Peterson, D.C.	Stumpf
Brandl	Frederickson, D.R.	Luther	Peterson, R.W.	Taylor
Brataas	Freeman	Marty	Piper	Vickerman
Chmielewski	Hughes	McQuaid	Pogemiller	Waldorf
Cohen	Johnson, D.E.	Mehrkens	Purfeerst	Wegscheid
Dahl	Johnson, D.J.	Merriam	Ramstad	

So the bill passed and its title was agreed to.

S.F. No. 2323: A bill for an act relating to financial institutions; authorizing certain investments for banks; amending Minnesota Statutes 1986, sections 48.152, subdivision 10; 48.24, subdivision 5; and 48.61, by adding a subdivision.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Moe, D.M.	Samuelson
Anderson	Decker	Knutson	Moe, R.D.	Schmitz
Beckman	DeCramer	Kroening	Morse	Solon
Belanger	Dicklich	Laidig	Novak	Spear
Benson	Diessner	Langseth	Olson	Storm
Berg	Frank	Lantry	Pehler	Stumpf
Berglin	Frederick	Larson	Peterson, D.C.	Taylor
Bernhagen	Frederickson, D.J.	Lessard	Peterson, R.W.	Vickerman
Bertram	Frederickson, D.R.	Luther	Piper	Waldorf
Brandl	Freeman	Marty	Pogemiller	Wegscheid
Brataas	Hughes	McQuaid	Purfeerst	
Chmielewski	Johnson, D.E.	Mehrkens	Ramstad	
Cohen	Johnson, D.J.	Merriam	Reichgott	
Dahl	Jude	Metzen	Renneke	

So the bill passed and its title was agreed to.

S.F. No. 2206: A bill for an act relating to human services; requiring county community social service plans to address the county's responsibility to establish a system of early intervention services for handicapped children;

amending Minnesota Statutes 1987 Supplement, section 256E.09, subdivision 3.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Moe, D.M.	Samuelson
Anderson	Decker	Knutson	Moe, R.D.	Schmitz
Beckman	DeCramer	Kroening	Morse	Solon
Belanger	Dicklich	Laidig	Novak	Spear
Benson	Diessner	Langseth	Olson	Storm
Berg	Frank	Lantry	Pehler	Stumpf
Berglin	Frederick	Larson	Peterson, D.C.	Taylor
Bernhagen	Frederickson, D.J.	Lessard	Peterson, R.W.	Vickerman
Bertram	Frederickson, D.R.	Luther	Piper	Waldorf
Brandl	Freeman	Marty	Pogemiller	Wegscheid
Brataas	Hughes	McQuaid	Purfeerst	
Chmielewski	Johnson, D.E.	Mehrkens	Ramstad	
Cohen	Johnson, D.J.	Merriam	Reichgott	
Dahl	Jude	Metzen	Renneke	

So the bill passed and its title was agreed to.

S.F. No. 2150: A bill for an act relating to state contracts; prohibiting the state from requiring Indian tribes or bands to deny their sovereignty to contract with the state; amending Minnesota Statutes 1986, section 16B.06, by adding a subdivision.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Merriam	Ramstad
Anderson	Decker	Knaak	Metzen	Reichgott
Beckman	DeCramer	Knutson	Moe, D.M.	Renneke
Belanger	Dicklich	Kroening	Moe, R.D.	Samuelson
Benson	Diessner	Laidig	Morse	Schmitz
Berg	Frank	Langseth	Novak	Solon
Berglin	Frederick	Lantry	Olson	Spear
Bernhagen	Frederickson, D.J.	Larson	Pehler	Storm
Bertram	Frederickson, D.R.	Lessard	Peterson, D.C.	Stumpf
Brandl	Freeman	Luther	Peterson, R.W.	Taylor
Brataas	Hughes	Marty	Piper	Vickerman
Cohen	Johnson, D.E.	McQuaid	Pogemiller	Waldorf
Dahl	Johnson, D.J.	Mehrkens	Purfeerst	Wegscheid

So the bill passed and its title was agreed to.

S.F. No. 2203: A bill for an act relating to human services; authorizing a county to establish an adult protection team; requiring records to be maintained; proposing coding for new law in Minnesota Statutes, chapter 626.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.J.	Merriam	Ramstad
Anderson	Davis	Jude	Metzen	Reichgott
Beckman	Decker	Knaak	Moe, D.M.	Renneke
Belanger	DeCramer	Knutson	Moe, R.D.	Samuelson
Benson	Dicklich	Kroening	Morse	Schmitz
Berg	Diessner	Laidig	Novak	Solon
Berglin	Frank	Langseth	Olson	Spear
Bernhagen	Frederick	Lantry	Pehler	Storm
Bertram	Frederickson, D.J.	Larson	Peterson, D.C.	Stumpf
Brandl	Frederickson, D.R.	Luther	Peterson, R.W.	Taylor
Brataas	Freeman	Marty	Piper	Vickerman
Chmielewski	Hughes	McQuaid	Pogemiller	Waldorf
Cohen	Johnson, D.E.	Mehrkens	Purfeerst	Wegscheid

So the bill passed and its title was agreed to.

S.F. No. 2456: A bill for an act relating to energy; creating a legislative advisory task force on energy policies for low-income persons and providing for the duties of the task force.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 4, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Mehrkens	Samuelson
Anderson	Decker	Jude	Metzen	Schmitz
Beckman	DeCramer	Knaak	Moe, R.D.	Solon
Belanger	Dicklich	Knutson	Morse	Spear
Benson	Diessner	Kroening	Novak	Storm
Berg	Frank	Laidig	Pehler	Stumpf
Berglin	Frederick	Langseth	Peterson, D.C.	Taylor
Bertram	Frederickson, D.J.	Lantry	Piper	Vickerman
Brandl	Frederickson, D.R.	Larson	Pogemiller	Waldorf
Brataas	Freeman	Lessard	Purfeerst	Wegscheid
Chmielewski	Gustafson	Luther	Ramstad	
Cohen	Hughes	Marty	Reichgott	
Dahl	Johnson, D.E.	McQuaid	Renneke	

Messrs. Merriam; Moe, D.M.; Ms. Olson and Mr. Peterson, R.W. voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 1632: A bill for an act relating to Ramsey County; authorizing a coordinated erosion and sediment control pilot program.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Decker	Knaak	Moe, D.M.	Samuelson
Anderson	DeCramer	Knutson	Moe, R.D.	Schmitz
Beckman	Dicklich	Kroening	Morse	Solon
Belanger	Diessner	Laidig	Novak	Spear
Benson	Frank	Langseth	Olson	Storm
Berg	Frederick	Lantry	Pehler	Stumpf
Berglin	Frederickson, D.J.	Larson	Peterson, D.C.	Taylor
Bernhagen	Frederickson, D.R.	Lessard	Peterson, R.W.	Vickerman
Bertram	Freeman	Luther	Piper	Waldorf
Brataas	Gustafson	Marty	Pogemiller	Wegscheid
Chmielewski	Hughes	McQuaid	Purfeerst	
Cohen	Johnson, D.E.	Mehrkens	Ramstad	
Dahl	Johnson, D.J.	Merriam	Reichgott	
Davis	Jude	Metzen	Renneke	

Mr. Brandl voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 2355: A bill for an act relating to the cities of Bloomington and West St. Paul; authorizing the city to expend and loan public funds for flood mitigation measures to protect residential structures.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Metzen	Renneke
Anderson	Decker	Knaak	Moe, D.M.	Samuelson
Beckman	DeCramer	Knutson	Moe, R.D.	Schmitz
Belanger	Dicklich	Kroening	Morse	Solon
Benson	Diessner	Laidig	Novak	Spear
Berg	Frank	Langseth	Olson	Storm
Berglin	Frederick	Lantry	Pehler	Stumpf
Bernhagen	Frederickson, D.J.	Larson	Peterson, D.C.	Taylor
Bertram	Frederickson, D.R.	Lessard	Peterson, R.W.	Vickerman
Brandl	Freeman	Luther	Piper	Waldorf
Brataas	Gustafson	Marty	Pogemiller	Wegscheid
Chmielewski	Hughes	McQuaid	Purfeerst	
Cohen	Johnson, D.E.	Mehrkens	Ramstad	
Dahl	Johnson, D.J.	Merriam	Reichgott	

So the bill passed and its title was agreed to.

S.F. No. 1661: A bill for an act relating to charitable gambling; changing the definition of lawful purpose expenditures; clarifying the definition of organization; increasing the percentage of profit that may be used for expenses for certain organizations; licensing bingo halls; changing the definition of bingo occasion; requiring organizations to be directly responsible for the conducting of bingo; changing the definition of gross receipts for the purposes of bingo; changing the prize limits for bingo; amending Minnesota Statutes 1986, sections 349.19, subdivision 1; 349.211, subdivision 1; Minnesota Statutes 1987 Supplement, sections 349.12, subdivision 11; 349.17, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 349; repealing Minnesota Statutes 1986, section 349.211, subdivision 2.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 5, as follows:

Those who voted in the affirmative were:

Adkins	Decker	Jude	Metzen	Renneke
Anderson	DeCramer	Knaak	Moe, D.M.	Samuelson
Beckman	Dicklich	Knutson	Moe, R.D.	Schmitz
Belanger	Diessner	Kroening	Morse	Solon
Benson	Frank	Laidig	Novak	Spear
Berg	Frederick	Langseth	Olson	Storm
Berglin	Frederickson, D.J.	Lantry	Pehler	Stumpf
Bernhagen	Frederickson, D.R.	Larson	Peterson, D.C.	Taylor
Brandl	Freeman	Lessard	Peterson, R.W.	Waldorf
Brataas	Gustafson	Luther	Piper	Wegscheid
Cohen	Hughes	Marty	Pogemiller	
Dahl	Johnson, D.E.	McQuaid	Purfeerst	
Davis	Johnson, D.J.	Mehrkens	Reichgott	

Those who voted in the negative were:

Bertram	Chmielewski	Merriam	Ramstad	Vickerman
---------	-------------	---------	---------	-----------

So the bill passed and its title was agreed to.

S.F. No. 1932: A bill for an act relating to transportation; exempting certain private carriers of fuel for use in agriculture-related businesses from certain hazardous materials regulations; amending Minnesota Statutes 1986, section 221.033, subdivision 1, and by adding a subdivision.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 5, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Moe, R.D.	Samuelson
Anderson	Decker	Knaak	Morse	Schmitz
Beckman	DeCramer	Knutson	Novak	Solon
Belanger	Dicklich	Kroening	Olson	Spear
Benson	Diessner	Laidig	Pehler	Storm
Berg	Frank	Langseth	Peterson, D.C.	Stumpf
Berglin	Frederick	Lantry	Peterson, R.W.	Taylor
Bernhagen	Frederickson, D.J.	Larson	Piper	Vickerman
Bertram	Frederickson, D.R.	Lessard	Pogemiller	Waldorf
Brandl	Freeman	McQuaid	Purfeerst	Wegscheid
Brataas	Gustafson	Mehrkens	Ramstad	
Chmielewski	Hughes	Metzen	Reichgott	
Cohen	Johnson, D.J.	Moe, D.M.	Renneke	

Those who voted in the negative were:

Dahl	Johnson, D.E.	Luther	Marty	Merriam
------	---------------	--------	-------	---------

So the bill passed and its title was agreed to.

S.F. No. 2243: A bill for an act relating to vocational rehabilitation; providing employment program rights to persons with disabilities; requiring inclusion of these programs in county social services plans; amending Minnesota Statutes 1987 Supplement, section 256E.09, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 256E.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Moe, D.M.	Samuelson
Anderson	Decker	Knaak	Moe, R.D.	Schmitz
Beckman	DeCramer	Knutson	Morse	Solon
Belanger	Dicklich	Laidig	Novak	Spear
Benson	Diessner	Langseth	Olson	Storm
Berg	Frank	Lantry	Pehler	Stumpf
Berglin	Frederick	Larson	Peterson, D.C.	Taylor
Bernhagen	Frederickson, D.J.	Lessard	Peterson, R.W.	Vickerman
Bertram	Frederickson, D.R.	Luther	Piper	Waldorf
Brandl	Freeman	Marty	Pogemiller	Wegscheid
Brataas	Gustafson	McQuaid	Purfeerst	
Chmielewski	Hughes	Mehrkens	Ramstad	
Cohen	Johnson, D.E.	Merriam	Reichgott	
Dahl	Johnson, D.J.	Metzen	Renneke	

So the bill passed and its title was agreed to.

S.F. No. 1955: A bill for an act relating to Ramsey county; authorizing the county to use certain land dedicated as open space for highway purposes; authorizing the sale of certain land.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	McQuaid	Reichgott
Anderson	Davis	Johnson, D.J.	Mehrkens	Renneke
Beckman	Decker	Jude	Metzen	Samuelson
Belanger	DeCramer	Knaak	Morse	Schmitz
Benson	Dicklich	Knutson	Novak	Solon
Berg	Diessner	Kroening	Olson	Spear
Berglin	Frank	Laidig	Pehler	Storm
Bernhagen	Frederick	Langseth	Peterson, D.C.	Stumpf
Bertram	Frederickson, D.J.	Lantry	Peterson, R.W.	Taylor
Brandl	Frederickson, D.R.	Larson	Piper	Vickerman
Brataas	Freeman	Lessard	Pogemiller	Waldorf
Chmielewski	Gustafson	Luther	Purfeerst	Wegscheid
Cohen	Hughes	Marty	Ramstad	

Messrs. Merriam and Moe, R.D. voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 2292: A bill for an act relating to state lands; authorizing sale of certain tax-forfeited lands that border public water in Pine county.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 57 and nays 10, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Moe, D.M.	Schmitz
Anderson	Decker	Knaak	Moe, R.D.	Solon
Beckman	DeCramer	Knutson	Morse	Spear
Belanger	Dicklich	Kroening	Novak	Storm
Benson	Diessner	Laidig	Olson	Stumpf
Berg	Frederick	Langseth	Peterson, D.C.	Taylor
Berglin	Frederickson, D.J.	Lantry	Piper	Vickerman
Bernhagen	Frederickson, D.R.	Larson	Pogemiller	Waldorf
Bertram	Freeman	Lessard	Ramstad	Wegscheid
Brataas	Gustafson	McQuaid	Reichgott	
Chmielewski	Hughes	Mehrkens	Renneke	
Cohen	Johnson, D.J.	Metzen	Samuelson	

Those who voted in the negative were:

Brandl	Frank	Luther	Merriam	Peterson, R.W.
Dahl	Johnson, D.E.	Marty	Pehler	Purfeerst

So the bill passed and its title was agreed to.

S.F. No. 2289: A bill for an act relating to the environment; authorizing the waste management board to enter agreements providing for the development and operation of a wholly or partially state owned stabilization and containment facility; directing the board to make recommendation for legislative changes needed to implement facility development and operation;

amending Minnesota Statutes 1987 Supplement, sections 115C.04, subdivisions 1 and 3; and 115C.09, subdivisions 1, 2, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 115A.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Metzen	Renneke
Anderson	Decker	Knaak	Moe, D.M.	Samuelson
Beckman	DeCramer	Knutson	Moe, R.D.	Schmitz
Belanger	Dicklich	Kroening	Morse	Solon
Benson	Diessner	Laidig	Novak	Spear
Berg	Frank	Langseth	Olson	Storm
Berglin	Frederick	Lantry	Pehler	Stumpf
Bernhagen	Frederickson, D.J.	Larson	Peterson, D.C.	Taylor
Bertram	Frederickson, D.R.	Lessard	Peterson, R.W.	Vickerman
Brandl	Freeman	Luther	Piper	Waldorf
Brataas	Gustafson	Marty	Pogemiller	Wegscheid
Chmielewski	Hughes	McQuaid	Purfeerst	
Cohen	Johnson, D.E.	Mehrkens	Ramstad	
Dahl	Johnson, D.J.	Merriam	Reichgott	

So the bill passed and its title was agreed to.

S.F. No. 1851: A bill for an act relating to public safety; providing for certain emergency communications procedures at tank farms; proposing coding for new law in Minnesota Statutes, chapter 17.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Metzen	Renneke
Anderson	Decker	Knaak	Moe, D.M.	Samuelson
Beckman	DeCramer	Knutson	Moe, R.D.	Schmitz
Belanger	Dicklich	Kroening	Morse	Solon
Benson	Diessner	Laidig	Novak	Spear
Berg	Frank	Langseth	Olson	Storm
Berglin	Frederick	Lantry	Pehler	Stumpf
Bernhagen	Frederickson, D.J.	Larson	Peterson, D.C.	Taylor
Bertram	Frederickson, D.R.	Lessard	Peterson, R.W.	Vickerman
Brandl	Freeman	Luther	Piper	Waldorf
Brataas	Gustafson	Marty	Pogemiller	Wegscheid
Chmielewski	Hughes	McQuaid	Purfeerst	
Cohen	Johnson, D.E.	Mehrkens	Ramstad	
Dahl	Johnson, D.J.	Merriam	Reichgott	

So the bill passed and its title was agreed to.

S.F. No. 308: A bill for an act relating to animals; establishing requirements for establishments that convey unredeemed dogs and cats to institutions for research; prohibiting establishments from transferring dogs or cats to dealers; requiring establishments to post a notice that the animals may be conveyed to institutions for research; amending Minnesota Statutes 1986, section 35.71, subdivision 3, and by adding subdivisions; repealing Minnesota Statutes 1986, section 346.54.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Metzen	Samuelson
Anderson	Decker	Knaak	Moe, D.M.	Schmitz
Beckman	DeCramer	Knutson	Moe, R.D.	Solon
Belanger	Dicklich	Kroening	Morse	Spear
Benson	Diessner	Laidig	Novak	Storm
Berg	Frank	Langseth	Olson	Stumpf
Berglin	Frederick	Lantry	Pehler	Taylor
Bernhagen	Frederickson, D.J.	Larson	Peterson, D.C.	Vickerman
Bertram	Frederickson, D.R.	Lessard	Peterson, R.W.	Waldorf
Brandl	Freeman	Luther	Piper	Wegscheid
Brataas	Gustafson	Marty	Purfeerst	
Chmielewski	Hughes	McQuaid	Ramstad	
Cohen	Johnson, D.E.	Mehrkens	Reichgott	
Dahl	Johnson, D.J.	Merriam	Renneke	

So the bill passed and its title was agreed to.

S.F. No. 1553: A bill for an act relating to crimes; prohibiting unauthorized access to computers; imposing penalties; amending Minnesota Statutes 1986, section 609.87, subdivision 1, and by adding a subdivision; Minnesota Statutes 1987 Supplement, section 609.531, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 609.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Metzen	Samuelson
Anderson	Decker	Knaak	Moe, D.M.	Schmitz
Beckman	DeCramer	Knutson	Moe, R.D.	Solon
Belanger	Dicklich	Kroening	Morse	Spear
Benson	Diessner	Laidig	Novak	Storm
Berg	Frank	Langseth	Olson	Stumpf
Berglin	Frederick	Lantry	Pehler	Taylor
Bernhagen	Frederickson, D.J.	Larson	Peterson, D.C.	Vickerman
Bertram	Frederickson, D.R.	Lessard	Peterson, R.W.	Waldorf
Brandl	Freeman	Luther	Piper	Wegscheid
Brataas	Gustafson	Marty	Purfeerst	
Chmielewski	Hughes	McQuaid	Ramstad	
Cohen	Johnson, D.E.	Mehrkens	Reichgott	
Dahl	Johnson, D.J.	Merriam	Renneke	

So the bill passed and its title was agreed to.

S.F. No. 1871: A bill for an act relating to family law; prohibiting certain false allegations of child abuse; regulating child custody hearings; providing a penalty; amending Minnesota Statutes 1986, section 518.17, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 609.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Mehrkens	Purfeerst
Anderson	Decker	Jude	Merriam	Ramstad
Beckman	DeCramer	Knaak	Metzen	Reichgott
Belanger	Dicklich	Knutson	Moe, D.M.	Renneke
Benson	Diessner	Kroening	Moe, R.D.	Samuelson
Berg	Frank	Laidig	Morse	Schmitz
Berglin	Frederick	Langseth	Novak	Spear
Bernhagen	Frederickson, D.J.	Lantry	Olson	Storm
Bertram	Frederickson, D.R.	Larson	Pehler	Stumpf
Brandl	Freeman	Lessard	Peterson, D.C.	Taylor
Brataas	Gustafson	Luther	Peterson, R.W.	Vickerman
Chmielewski	Hughes	Marty	Piper	Waldorf
Dahl	Johnson, D.E.	McQuaid	Pogemiller	Wegscheid

So the bill passed and its title was agreed to.

S.F. No. 2119: A bill for an act relating to child abuse reporting; clarifying the assessment duties of the local welfare agency; providing for the retention of records in certain circumstances; amending Minnesota Statutes 1986, section 626.556, subdivisions 5, 10d, and by adding subdivisions; and Minnesota Statutes 1987 Supplement, section 626.556, subdivision 11.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Metzen	Renneke
Anderson	Decker	Knaak	Moe, D.M.	Samuelson
Beckman	DeCramer	Knutson	Moe, R.D.	Schmitz
Belanger	Dicklich	Kroening	Morse	Spear
Benson	Diessner	Laidig	Novak	Storm
Berg	Frank	Langseth	Olson	Stumpf
Berglin	Frederick	Lantry	Pehler	Taylor
Bernhagen	Frederickson, D.J.	Larson	Peterson, D.C.	Vickerman
Bertram	Frederickson, D.R.	Lessard	Peterson, R.W.	Waldorf
Brandl	Freeman	Luther	Piper	Wegscheid
Brataas	Gustafson	Marty	Pogemiller	
Chmielewski	Hughes	McQuaid	Purfeerst	
Cohen	Johnson, D.E.	Mehrkens	Ramstad	
Dahl	Johnson, D.J.	Merriam	Reichgott	

So the bill passed and its title was agreed to.

S.F. No. 1879: A bill for an act relating to agriculture; providing penalties and liability for damages for unauthorized release of domestic animals; proposing coding for new law in Minnesota Statutes, chapter 346.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	Mehrkens	Purfeerst
Anderson	Davis	Johnson, D.J.	Merriam	Ramstad
Beckman	Decker	Jude	Metzen	Reichgott
Belanger	DeCramer	Knaak	Moe, D.M.	Renneke
Benson	Dicklich	Knutson	Moe, R.D.	Samuelson
Berg	Diessner	Kroening	Morse	Schmitz
Berglin	Frank	Laidig	Novak	Solon
Bernhagen	Frederick	Langseth	Olson	Spear
Bertram	Frederickson, D.J.	Lantry	Pehler	Storm
Brandl	Frederickson, D.R.	Lessard	Peterson, D.C.	Stumpf
Brataas	Freeman	Luther	Peterson, R.W.	Taylor
Chmielewski	Gustafson	Marty	Piper	Vickerman
Cohen	Hughes	McQuaid	Pogemiller	Waldorf

So the bill passed and its title was agreed to.

S.F. No. 1830: A bill for an act relating to crimes; making it a crime to enter into a contract to serve as the agent of a student athlete or represent a student athlete or professional sports organization in obtaining a professional sports contract with a student athlete before expiration of the student athlete's collegiate eligibility unless the athlete has executed an effective waiver of eligibility; making it a crime to offer anything of value to an employee of an educational institution in return for the employee's influence on a student athlete to enter into contracts with agents or professional sports contracts or for the referral of student athlete clients; imposing penalties; proposing coding for new law in Minnesota Statutes, chapter 609.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Moe, D.M.	Samuelson
Anderson	Decker	Knutson	Moe, R.D.	Schmitz
Beckman	DeCramer	Kroening	Morse	Solon
Belanger	Dicklich	Laidig	Novak	Spear
Benson	Diessner	Langseth	Olson	Storm
Berg	Frank	Lantry	Pehler	Stumpf
Berglin	Frederick	Larson	Peterson, D.C.	Taylor
Bernhagen	Frederickson, D.J.	Lessard	Peterson, R.W.	Vickerman
Bertram	Frederickson, D.R.	Luther	Piper	Waldorf
Brandl	Freeman	Marty	Pogemiller	Wegscheid
Brataas	Gustafson	McQuaid	Purfeerst	
Chmielewski	Hughes	Mehrkens	Ramstad	
Cohen	Johnson, D.E.	Merriam	Reichgott	
Dahl	Johnson, D.J.	Metzen	Renneke	

Mr. Knaak voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 1735: A bill for an act relating to game and fish; providing for restitution for wild animals that are illegally killed or injured; providing for civil penalties for wild animals killed or injured; restricting expenditures from restitution to replacement and propagation of wild animals illegally killed or injured; amending Minnesota Statutes 1986, section 97A.065, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 97A.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Merriam	Ramstad
Anderson	Decker	Knaak	Metzen	Reichgott
Beckman	DeCramer	Knutson	Moe, D.M.	Renneke
Belanger	Dicklich	Kroening	Moe, R.D.	Samuelson
Benson	Frank	Laidig	Morse	Schmitz
Berg	Frederick	Langseth	Novak	Solon
Berglin	Frederickson, D.J.	Lantry	Olson	Spear
Bernhagen	Frederickson, D.R.	Larson	Pehler	Storm
Bertram	Freeman	Lessard	Peterson, D.C.	Taylor
Brandl	Gustafson	Luther	Peterson, R.W.	Vickerman
Brataas	Hughes	Marty	Piper	Waldorf
Chmielewski	Johnson, D.E.	McQuaid	Pogemiller	Wegscheid
Dahl	Johnson, D.J.	Mehrkens	Purfeerst	

Mr. Stumpf voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 30: A bill for an act relating to crimes; requiring health professionals to report certain burn injuries; amending Minnesota Statutes 1986, sections 626.52, subdivision 1, and by adding a subdivision; 626.53; and 626.55, subdivision 1.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Mehrkens	Ramstad
Anderson	Decker	Jude	Merriam	Reichgott
Beckman	DeCramer	Knaak	Metzen	Renneke
Belanger	Dicklich	Knutson	Moe, D.M.	Samuelson
Benson	Diessner	Kroening	Moe, R.D.	Schmitz
Berg	Frank	Laidig	Morse	Solon
Berglin	Frederick	Langseth	Novak	Spear
Bernhagen	Frederickson, D.J.	Lantry	Olson	Storm
Bertram	Frederickson, D.R.	Larson	Pehler	Stumpf
Brandl	Freeman	Lessard	Peterson, D.C.	Taylor
Brataas	Gustafson	Luther	Piper	Vickerman
Chmielewski	Hughes	Marty	Pogemiller	Waldorf
Dahl	Johnson, D.E.	McQuaid	Purfeerst	Wegscheid

Mr. Peterson, R.W. voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 2017: A bill for an act relating to Gillette children's hospital; authorizing the hospital board to incorporate as a nonprofit corporation; terminating its status as a public corporation; transferring its ownership of hospital property to the city of St. Paul; repealing Minnesota Statutes 1986, section 250.05, subdivisions 1, 2a, 3, 4, 5, and 6; and Minnesota Statutes 1987 Supplement, section 250.05, subdivisions 2 and 7.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Metzen	Renneke
Anderson	Decker	Knaak	Moe, D.M.	Samuelson
Beckman	DeCramer	Knutson	Moe, R.D.	Schmitz
Belanger	Dicklich	Kroening	Morse	Solon
Benson	Diessner	Laidig	Novak	Spear
Berg	Frank	Langseth	Olson	Storm
Berglin	Frederick	Lantry	Pehler	Stumpf
Bernhagen	Frederickson, D.J.	Larson	Peterson, D.C.	Taylor
Bertram	Frederickson, D.R.	Lessard	Peterson, R.W.	Vickerman
Brandl	Freeman	Luther	Piper	Waldorf
Brataas	Gustafson	Marty	Pogemiller	Wegscheid
Chmielewski	Hughes	McQuaid	Purfeerst	
Cohen	Johnson, D.E.	Mehrkens	Ramstad	
Dahl	Johnson, D.J.	Merriam	Reichgott	

So the bill passed and its title was agreed to.

S.F. No. 2245: A bill for an act relating to health; limiting reporting

requirements for epidemiologic studies; providing grants for AIDS evaluation and counseling; amending Minnesota Statutes 1986, section 144.053, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 145.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Moe, D.M.	Samuelson
Anderson	Decker	Knutson	Moe, R.D.	Schmitz
Beckman	DeCramer	Kroening	Morse	Solon
Belanger	Dicklich	Laidig	Novak	Spear
Benson	Diessner	Langseth	Olson	Storm
Berg	Frank	Lantry	Pehler	Stumpf
Berglin	Frederick	Larson	Peterson, D.C.	Taylor
Bernhagen	Frederickson, D.J.	Lessard	Peterson, R.W.	Vickerman
Bertram	Frederickson, D.R.	Luther	Piper	Waldorf
Brandl	Freeman	Marty	Pogemiller	Wegscheid
Brataas	Gustafson	McQuaid	Purfeerst	
Chmielewski	Hughes	Mehrkens	Ramstad	
Cohen	Johnson, D.J.	Merriam	Reichgott	
Dahl	Jude	Metzen	Renneke	

So the bill passed and its title was agreed to.

S.F. No. 335: A bill for an act relating to occupations and professions; authorizing physical therapy treatment without referral by a physician; prohibiting certain business relationships in the practice of physical therapy; amending Minnesota Statutes 1986, sections 148.74; 148.75; and 148.76, subdivision 2.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 5, as follows:

Those who voted in the affirmative were:

Adkins	Decker	Knaak	Metzen	Renneke
Anderson	DeCramer	Knutson	Moe, D.M.	Samuelson
Beckman	Dicklich	Kroening	Moe, R.D.	Schmitz
Belanger	Diessner	Laidig	Morse	Solon
Benson	Frank	Langseth	Novak	Spear
Berg	Frederick	Lantry	Olson	Storm
Berglin	Frederickson, D.J.	Larson	Pehler	Stumpf
Bernhagen	Freeman	Lessard	Peterson, D.C.	Vickerman
Brandl	Gustafson	Luther	Peterson, R.W.	Waldorf
Brataas	Hughes	Marty	Piper	Wegscheid
Chmielewski	Johnson, D.E.	McQuaid	Pogemiller	
Cohen	Johnson, D.J.	Mehrkens	Purfeerst	
Dahl	Jude	Merriam	Ramstad	

Those who voted in the negative were:

Bertram	Davis	Frederickson, D.R.	Reichgott	Taylor
---------	-------	--------------------	-----------	--------

So the bill passed and its title was agreed to.

S.F. No. 1769: A bill for an act relating to human rights; clarifying marital status discrimination and housing discrimination; enforcing comparable worth and affirmative action requirements; making procedural and administrative changes; amending Minnesota Statutes 1986, sections 363.01, by

adding a subdivision; 363.02, subdivision 2a, and by adding a subdivision; 363.03, subdivision 2; 363.06, subdivision 3; 363.073, subdivisions 1 and 3; 363.091; 363.121; and 363.14, subdivisions 1 and 3; Minnesota Statutes 1987 Supplement, sections 363.06, subdivision 1; and 363.071, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 363.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Metzen	Renneke
Anderson	Decker	Knaak	Moe, D.M.	Samuelson
Beckman	DeCramer	Knutson	Moe, R.D.	Schmitz
Belanger	Dicklich	Kroening	Morse	Solon
Benson	Diessner	Laidig	Novak	Spear
Berg	Frank	Langseth	Olson	Storm
Berglin	Frederick	Lantry	Pehler	Stumpf
Bernhagen	Frederickson, D.J.	Larson	Peterson, D.C.	Taylor
Bertram	Frederickson, D.R.	Lessard	Peterson, R.W.	Vickerman
Brandl	Freeman	Luther	Piper	Waldorf
Brataas	Gustafson	Marty	Pogemiller	Wegscheid
Chmielewski	Hughes	McQuaid	Purfeerst	
Cohen	Johnson, D.E.	Mehrkens	Ramstad	
Dahl	Johnson, D.J.	Merriam	Reichgott	

So the bill passed and its title was agreed to.

S.F. No. 2395: A bill for an act relating to nonprofit corporations; requiring a notice of meetings or elections to inform members whether proxy voting is permitted and the manner of doing so; providing that proxies are prohibited unless authorized by the articles or bylaws; amending Minnesota Statutes 1986, sections 317.22, subdivisions 4 and 6; and 317.28.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Metzen	Renneke
Anderson	Decker	Knaak	Moe, D.M.	Samuelson
Beckman	DeCramer	Knutson	Moe, R.D.	Schmitz
Belanger	Dicklich	Kroening	Morse	Solon
Benson	Diessner	Laidig	Novak	Spear
Berg	Frank	Langseth	Olson	Storm
Berglin	Frederick	Lantry	Pehler	Stumpf
Bernhagen	Frederickson, D.J.	Larson	Peterson, D.C.	Taylor
Bertram	Frederickson, D.R.	Lessard	Peterson, R.W.	Vickerman
Brandl	Freeman	Luther	Piper	Waldorf
Brataas	Gustafson	Marty	Pogemiller	Wegscheid
Chmielewski	Hughes	McQuaid	Purfeerst	
Cohen	Johnson, D.E.	Mehrkens	Ramstad	
Dahl	Johnson, D.J.	Merriam	Reichgott	

So the bill passed and its title was agreed to.

S.F. No. 2266: A bill for an act relating to child abuse; authorizing counties to establish pilot programs; allowing the appointment of a child intermediary in certain criminal child abuse proceedings; prescribing powers and duties of the intermediary.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Decker	Knaak	Moe, D.M.	Samuelson
Anderson	DeCramer	Knutson	Moe, R.D.	Schmitz
Beckman	Dicklich	Kroening	Morse	Solon
Belanger	Diessner	Laidig	Novak	Spear
Benson	Frank	Langseth	Olson	Storm
Berg	Frederick	Lantry	Pehler	Stumpf
Berglin	Frederickson, D.J.	Larson	Peterson, D.C.	Taylor
Bertram	Frederickson, D.R.	Lessard	Peterson, R.W.	Vickerman
Brandl	Freeman	Luther	Piper	Waldorf
Brataas	Gustafson	Marty	Pogemiller	Wegscheid
Chmielewski	Hughes	McQuaid	Purfeerst	
Cohen	Johnson, D.E.	Mehrkens	Ramstad	
Dahl	Johnson, D.J.	Merriam	Reichgott	
Davis	Jude	Metzen	Renneke	

So the bill passed and its title was agreed to.

S.F No. 2255: A bill for an act relating to agriculture; extending certain benefits under the family farm security act; amending Minnesota Statutes 1986, section 41.57, subdivision 4.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Merriam	Ramstad
Anderson	Decker	Jude	Metzen	Reichgott
Beckman	DeCramer	Knaak	Moe, D.M.	Renneke
Belanger	Dicklich	Knutson	Moe, R.D.	Samuelson
Benson	Diessner	Laidig	Morse	Schmitz
Berg	Frank	Langseth	Novak	Spear
Berglin	Frederick	Lantry	Olson	Storm
Bernhagen	Frederickson, D.J.	Larson	Pehler	Stumpf
Bertram	Frederickson, D.R.	Lessard	Peterson, D.C.	Taylor
Brandl	Freeman	Luther	Peterson, R.W.	Vickerman
Brataas	Gustafson	Marty	Piper	Waldorf
Chmielewski	Hughes	McQuaid	Pogemiller	Wegscheid
Dahl	Johnson, D.E.	Mehrkens	Purfeerst	

Mr. Kroening voted in the negative.

So the bill passed and its title was agreed to.

S.F No. 1821: A bill for an act relating to crimes; police pursuit; requiring certain driver's manual information; providing for civil forfeiture of vehicle used to flee a peace officer; requiring local governments to establish pursuit procedures and training requirements by October 1, 1989; authorizing peace officer standards and training board to assist local governments in establishing procedures and training requirements; requiring reporting of all police pursuits to department of public safety; amending Minnesota Statutes 1986, sections 171.13, by adding a subdivision; 626.843, subdivision 1; and 626.845, subdivision 1; Minnesota Statutes 1987 Supplement, section 609.531, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 626.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Decker	Jude	Merriam	Ramstad
Anderson	DeCramer	Knaak	Metzen	Reichgott
Beckman	Dicklich	Knutson	Moe, D.M.	Renneke
Belanger	Diessner	Kroening	Moe, R.D.	Samuelson
Benson	Frank	Laidig	Morse	Schmitz
Berg	Frederick	Langseth	Novak	Spear
Berglin	Frederickson, D.J.	Lantry	Olson	Storm
Bernhagen	Frederickson, D.R.	Larson	Pehler	Stumpf
Bertram	Freeman	Lessard	Peterson, D.C.	Taylor
Brandl	Gustafson	Luther	Peterson, R.W.	Vickerman
Brataas	Hughes	Marty	Piper	Waldorf
Dahl	Johnson, D.E.	McQuaid	Pogemiller	Wegscheid
Davis	Johnson, D.J.	Mehrken	Purfeerst	

So the bill passed and its title was agreed to.

S.F. No. 2009: A bill for an act relating to family law; modifying and clarifying provisions for the collection and enforcement of child support; providing for cost-of-living adjustments in spousal maintenance awards; providing for grandparent visitation rights in all family law proceedings; providing for reopening of judgments; providing for custody rights; clarifying and modifying provisions relating to pension plan rights in marriage dissolutions; amending Minnesota Statutes 1986, sections 69.62; 256.978; 257.022, subdivision 2; 270A.03, subdivision 4; 383B.51; 423A.16; 424A.02, subdivision 6; 490.126, by adding a subdivision; 518.145; 518.156, subdivision 1; 518.17, subdivision 3; 518.171, by adding a subdivision; 518.175, by adding a subdivision; 518.551, by adding a subdivision; 518.552, by adding a subdivision; 518.54, by adding a subdivision; 518.611, subdivision 10; 518.64, subdivision 2; and 518.641; Minnesota Statutes 1987 Supplement, sections 356.80; 518.54, subdivision 10; 518.58, subdivision 2; 518.581, subdivision 4; and 518.611, subdivision 2.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 55 and nays 8, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.E.	McQuaid	Ramstad
Anderson	Decker	Johnson, D.J.	Mehrken	Reichgott
Beckman	DeCramer	Jude	Moe, D.M.	Renneke
Belanger	Dicklich	Knaak	Moe, R.D.	Schmitz
Benson	Frank	Knutson	Morse	Spear
Berglin	Frederick	Laidig	Olson	Storm
Bernhagen	Frederickson, D.J.	Langseth	Pehler	Stumpf
Bertram	Frederickson, D.R.	Lantry	Peterson, D.C.	Taylor
Brandl	Freeman	Larson	Piper	Vickerman
Brataas	Gustafson	Luther	Pogemiller	Waldorf
Dahl	Hughes	Marty	Purfeerst	Wegscheid

Those who voted in the negative were:

Berg	Diessner	Merriam	Peterson, R.W.	Samuelson
Chmielewski	Lessard	Metzen		

So the bill passed and its title was agreed to.

S.F. No. 2226: A bill for an act relating to state government; amending certain provisions governing advisory councils, committees, and task forces;

amending Minnesota Statutes 1986, sections 3.922, subdivision 3; 3.9225, subdivision 1; 3.9226, subdivision 1; 6.65; 15.059, subdivision 5; 79.51, subdivision 4; 84B.11, subdivision 1; 85A.02, subdivision 4; 115.54; 116C.59, subdivisions 1, 2, and 4; 116C.839; 121.83; 124.48, subdivision 3; 126.56, subdivision 5; 128A.03, subdivision 3; 135A.05; 136A.02, subdivision 7; 138.97, subdivision 3; 162.02, subdivision 2; 162.09, subdivision 2; 174.031, subdivision 2; 175.008; 182.653, subdivision 4e; 214.141; 248.10, subdivision 2; 254A.035, subdivision 2; 256C.28, subdivision 2; 299F.097; 611A.34, subdivision 1; 611A.71, by adding a subdivision; Minnesota Statutes 1987 Supplement, sections 15.059, subdivision 6; 16B.20, subdivision 2; 43A.316, subdivision 4; 115A.12, subdivision 1; 116J.971, by adding a subdivision; 120.17, subdivision 11a; 121.934, subdivision 1; 123.935, subdivision 7; 126.665; 129C.10, subdivision 3; 136A.02, subdivision 6; 144.672, subdivision 1; 175.007, subdivision 1; 245.697, subdivision 1; 245.97, subdivision 6; 246.56, subdivision 2; 256.482, subdivision 1; 256.73, subdivision 7; 256B.064, subdivision 1a; 256B.27, subdivision 3; 256B.433, subdivisions 1 and 4; 299A.23, subdivision 2; 299J.06, subdivision 4; repealing Minnesota Statutes 1986, sections 116J.04; 160.80, subdivision 6; 177.28, subdivision 2; 326.66; Minnesota Statutes 1987 Supplement, section 115A.12, subdivision 2.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 53 and nays 11, as follows:

Those who voted in the affirmative were:

Adkins	Chmielewski	Johnson, D.J.	Mehrkens	Reichgott
Anderson	Dahl	Jude	Metzen	Renneke
Beckman	Davis	Knaak	Moe, D.M.	Schmitz
Belanger	Decker	Kroening	Morse	Storm
Benson	Dicklich	Laidig	Novak	Stumpf
Berg	Diessner	Langseth	Pehler	Taylor
Berglin	Frank	Larson	Peterson, D.C.	Vickerman
Bernhagen	Frederick	Lessard	Piper	Waldorf
Bertram	Frederickson, D.J.	Luther	Pogemiller	Wegscheid
Brandl	Frederickson, D.R.	Marty	Purfeerst	
Brataas	Hughes	McQuaid	Ramstad	

Those who voted in the negative were:

Freeman	Knutson	Merriam	Olson	Samuelson
Gustafson	Lantry	Moe, R.D.	Peterson, R.W.	Spear
Johnson, D.E.				

So the bill passed and its title was agreed to.

S.F. No. 2384: A bill for an act relating to trade practices; providing for payment to farm implement retailer by successor in interest of the manufacturer, wholesaler, or distributor who repurchases stock and inventory; amending Minnesota Statutes 1986, sections 325E.05; and 325E.06, subdivisions 1, 4, and 5, and by adding a subdivision.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Mehrkens	Purfeerst
Anderson	Decker	Jude	Merriam	Ramstad
Beckman	DeCramer	Knaak	Metzen	Reichgott
Belanger	Dicklich	Knutson	Moe, D.M.	Renneke
Benson	Diessner	Kroening	Moe, R.D.	Samuelson
Berg	Frank	Laidig	Morse	Schmitz
Berglin	Frederick	Langseth	Novak	Spear
Bernhagen	Frederickson, D.J.	Lantry	Olson	Storm
Bertram	Frederickson, D.R.	Larson	Pehler	Stumpf
Brandl	Freeman	Lessard	Peterson, D.C.	Taylor
Brataas	Gustafson	Luther	Peterson, R.W.	Vickerman
Chmielewski	Hughes	Marty	Piper	Waldorf
Dahl	Johnson, D.E.	McQuaid	Pogemiller	Wegscheid

So the bill passed and its title was agreed to.

S.F. No. 2096: A bill for an act relating to commerce; regulating and governing business relations between manufacturers of agricultural equipment and independent retail dealers of those products; proposing coding for new law in Minnesota Statutes, chapter 325E.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Mehrkens	Ramstad
Anderson	Decker	Jude	Merriam	Reichgott
Beckman	DeCramer	Knaak	Metzen	Renneke
Belanger	Dicklich	Knutson	Moe, D.M.	Samuelson
Benson	Diessner	Kroening	Moe, R.D.	Schmitz
Berg	Frank	Laidig	Morse	Spear
Berglin	Frederick	Langseth	Novak	Storm
Bernhagen	Frederickson, D.J.	Lantry	Olson	Stumpf
Bertram	Frederickson, D.R.	Larson	Pehler	Taylor
Brandl	Freeman	Lessard	Peterson, R.W.	Vickerman
Brataas	Gustafson	Luther	Piper	Waldorf
Chmielewski	Hughes	Marty	Pogemiller	Wegscheid
Dahl	Johnson, D.E.	McQuaid	Purfeerst	

So the bill passed and its title was agreed to.

S.F. No. 2235: A bill for an act relating to workers' compensation; regulating the location of certain medical examinations; amending Minnesota Statutes 1987 Supplement, section 176.155, subdivision 1.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Mehrkens	Purfeerst
Anderson	Decker	Jude	Merriam	Ramstad
Beckman	DeCramer	Knaak	Metzen	Reichgott
Belanger	Dicklich	Knutson	Moe, D.M.	Renneke
Benson	Diessner	Kroening	Moe, R.D.	Samuelson
Berg	Frank	Laidig	Morse	Schmitz
Berglin	Frederick	Langseth	Novak	Spear
Bernhagen	Frederickson, D.J.	Lantry	Olson	Storm
Bertram	Frederickson, D.R.	Larson	Pehler	Stumpf
Brandl	Freeman	Lessard	Peterson, D.C.	Taylor
Brataas	Gustafson	Luther	Peterson, R.W.	Vickerman
Chmielewski	Hughes	Marty	Piper	Waldorf
Dahl	Johnson, D.E.	McQuaid	Pogemiller	Wegscheid

So the bill passed and its title was agreed to.

S.F. No. 2452: A bill for an act relating to public safety; providing that bomb disposal workers are state employees when disposing of bombs outside the jurisdiction of their municipal employer, for purposes of tort claims and workers' compensation; amending Minnesota Statutes 1987 Supplement, section 3.732, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 176.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Mehrkens	Purfeerst
Anderson	Decker	Jude	Merriam	Ramstad
Beckman	DeCramer	Knaak	Metzen	Reichgott
Belanger	Dicklich	Knutson	Moe, D.M.	Renneke
Benson	Diessner	Kroening	Moe, R.D.	Samuelson
Berg	Frank	Laidig	Morse	Schmitz
Berglin	Frederick	Langseth	Novak	Spear
Bernhagen	Frederickson, D.J.	Lantry	Olson	Storm
Bertram	Frederickson, D.R.	Larson	Pehler	Stumpf
Brandl	Freeman	Lessard	Peterson, D.C.	Taylor
Brataas	Gustafson	Luther	Peterson, R.W.	Vickerman
Chmielewski	Hughes	Marty	Piper	Waldorf
Dahl	Johnson, D.E.	McQuaid	Pogemiller	Wegscheid

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate proceed to the Order of Business of Introduction and First Reading of Senate Bills. The motion prevailed.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

Messrs. Benson; Frederickson, D.R.; Larson; Laidig and Mehrkens introduced—

S.F. No. 2560: A bill for an act relating to retirement benefits for volunteer firefighters; providing a state paid supplemental benefit; proposing coding for new law in Minnesota Statutes, chapter 424A.

Referred to the Committee on Governmental Operations.

Messrs. Frederick, Decker, Anderson, Renneke and Bernhagen introduced—

S.F. No. 2561: A bill for an act relating to retirement benefits for volunteer firefighters; providing a state paid supplemental benefit; proposing coding for new law in Minnesota Statutes, chapter 424A.

Referred to the Committee on Governmental Operations.

Mr. Metzen introduced—

S.F. No. 2562: A bill for an act relating to health; requiring roller skating rinks to have an employee on the premises with first aid training; creating a penalty; proposing coding for new law in Minnesota Statutes, chapter 624.

Referred to the Committee on Health and Human Services.

Mr. Merriam introduced—

S.F. No. 2563: A bill for an act relating to traffic regulations; creating an affirmative defense to a charge of being in physical control of a vehicle while under the influence of alcohol or a controlled substance; amending Minnesota Statutes 1986, section 169.121, by adding a subdivision.

Referred to the Committee on Judiciary.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the General Orders Calendar. The motion prevailed.

GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Hughes in the chair.

After some time spent therein, the committee arose, and Mr. Hughes reported that the committee had considered the following:

S.F. Nos. 2491, 1610, 1540, 2525, 752, 2071, 1788, 2185 and 1582, which the committee recommends to pass.

S.F. No. 2506, which the committee reports progress, subject to the following motions:

Mr. Pogemiller moved to amend S.F. No. 2506 as follows:

Page 2, line 7, before "*The*" insert "*If the court finds there is no arrearage in child support or maintenance as of the date of the court hearing,*"

The motion prevailed. So the amendment was adopted.

Mr. Merriam moved to amend S.F. No. 2506 as follows:

Pages 1 and 2, delete section 1 and insert:

"Section 1. Minnesota Statutes 1987 Supplement, section 518.613, subdivision 1, is amended to read:

Subdivision 1. [GENERAL.] Notwithstanding any provision of section 518.611, subdivision 2 or 3, to the contrary, whenever an obligation for child support or maintenance is initially determined and ordered or modified by the court in a county in which this section applies, the amount of child support or maintenance ordered by the court must be withheld from the income, regardless of source, of the person obligated to pay the support. For purposes of this section, "modified" does not mean include modification of an order initially determined before August 1, 1987, or a cost-of-living adjustment without any other modification of the support order."

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon

Page 1, delete line 3

Page 1, line 4, delete everything before the semicolon and insert "providing that automatic income withholding does not apply to modification of orders issued prior to the effective date"

Page 1, line 9, delete "by adding a subdivision" and insert "subdivision 1"

The motion prevailed. So the amendment was adopted.

S.F. No. 2506 was then progressed.

S.F. No. 1573, which the committee recommends to pass with the following amendment offered by Mr. Wegscheid:

Page 1, after line 18, insert:

"Sec. 2. Minnesota Statutes 1986, section 97A.451, subdivision 3, is amended to read:

Subd. 3. [PERSONS UNDER AGE 16; SMALL GAME.] (a) A ~~person~~ *resident* under age 16 may not obtain a small game license but may take small game by firearms or ~~bow and arrow~~ *by archery* without a license ~~if the person is a resident as provided in paragraph (c).~~

(b) A nonresident under age 16 may take small game by firearms or by archery as provided in paragraph (c) with a license.

(c) A person under paragraph (a) or (b) may take small game if the person is:

- (1) age 14 or 15 and possesses a firearms safety certificate;*
- (2) age 13, possesses a firearms safety certificate, and is accompanied by a parent or guardian; or*
- (3) age 12 or under and is accompanied by a parent or guardian.*

~~(b)~~ *(d) A resident under age 16 may take small game by trapping without a small game license, but a resident over age 13 must have a trapping license. A resident under age 14 may trap without a trapping license.*

Sec. 3. Minnesota Statutes 1986, section 97B.015, subdivision 5, is amended to read:

Subd. 5. [FIREARMS SAFETY CERTIFICATE.] *(a) The commissioner shall issue a firearms safety certificate to a person that satisfactorily completes the required course of instruction or provides documentation of having completed a course of instruction approved by the commissioner. The commissioner shall maintain a list of approved firearms safety courses from other jurisdictions.*

(b) A certificate may not be issued to a person under age 12. A person that is age 11 may take the firearms safety course and may receive a firearms safety certificate at age 12.

(c) The form and content of the firearms safety certificate shall be prescribed by the commissioner. The certificate must be of a permanent material except that temporary certificates may be issued until the permanent certificates are prepared.

(d) The commissioner shall maintain a record of all persons who have been issued firearms safety certificates.

Sec. 4. [97B.023] [HUNTING WITH FIREARMS BY PERSONS AGE 16 OR OLDER.]

(a) A person age 16 or older and born after December 31, 1973, must have a firearms safety certificate to purchase a license to take big game with firearms or by archery.

(b) The person does not have to personally possess the firearms safety certificate to hunt with a firearm or by archery. A firearms safety certificate must be presented before purchasing a license to take big game with firearms or by archery."

Renumber the sections in sequence and correct the internal references
Amend the title accordingly

The motion prevailed. So the amendment was adopted.

On motion of Mr. Moe, R.D., the report of the Committee of the Whole, as kept by the Secretary, was adopted.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Orders of Business of Messages From the House, Reports of Committees, Second Reading of Senate Bills and Second Reading of House Bills.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 1575, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 1575: A bill for an act relating to game and fish; clarifying when a trout and salmon stamp is required and responsibility for road-kill deer; amending Minnesota Statutes 1986, section 97C.305; Minnesota Statutes 1987 Supplement, sections 97A.475, subdivisions 6 and 7; 97A.485, subdivision 6; and 97A.502; repealing Minnesota Statutes 1987 Supplement, section 97A.451, subdivision 1.

Senate File No. 1575 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 23, 1988

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was re-referred

S.F. No. 2095: A bill for an act relating to education; establishing general education revenue for fiscal year 1990; modifying aspects of educational programs for American Indian people; providing for certain levying authority and limitations; modifying certain levies, aid, and grant programs; establishing learning year program sites; providing for revenue for school facilities; appropriating money; amending Minnesota Statutes 1986, sections 120.08, subdivision 2; 121.15; 124.214, subdivision 2; 124.48, subdivision 2; 126.151; 126.45; 126.46; 126.47; 126.49, subdivision 1; 126.51, subdivisions 1, 2, 4, and by adding a subdivision; 126.52; 126.531; 126.56, subdivision 2; 129B.20, subdivision 1; 136D.74, by adding subdivisions; 136D.81; 275.125, by adding subdivisions; 354.52, subdivision 4; 354A.12, subdivision 2; Minnesota Statutes 1987 Supplement, sections 120.17, subdivision 3b; 121.912, subdivision 1; 124.17, subdivision 1; 124.214, subdivision 3; 124.225, subdivision 8a; 124.244; 124A.22, subdivision 2; 124A.23, subdivisions 1 and 5; 124A.28, subdivision 1; 126.22, subdivisions 2 and 3; 126.23; 129B.11, subdivision 2, and by adding a subdivision; 129B.53, by adding a subdivision; 129B.55, by adding a subdivision; 136D.27; 136D.87; 275.125, subdivision 5; Laws 1959, chapter 462, section 3, subdivision 4, as amended; Laws 1987, chapter 398, articles 3, section 39, subdivisions 2 and 7; and 10, section 2, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapters 120, 121, 124, 124A, 125, 126, 129B, and 135A; repealing Minnesota Statutes 1986, sections 120.0752, as amended; 126.51, subdivision 3; Minnesota Statutes 1987 Supplement, sections 123.3515; 124A.27, subdivision 10; and Laws 1984, chapter 463, article 7, section 45.

Reports the same back with the recommendation that the bill be amended as follows:

Page 4, after line 32, insert:

“Sec. 4. Minnesota Statutes 1987 Supplement, section 124A.22, is amended by adding a subdivision to read:

Subd. 7. [DEFINITIONS FOR SUPPLEMENTAL REVENUE.] (a) The definitions in this subdivision apply only to subdivision 8.

(b) “1987-1988 revenue” means the sum of the following categories of revenue for a district for the 1987-1988 school year:

(1) basic foundation revenue, tier revenue, and declining pupil unit revenue, according to Minnesota Statutes 1986, as supplemented by Minnesota Statutes 1987 Supplement, chapter 124A, plus any reduction to second tier revenue, according to Minnesota Statutes 1986, section 124A.08, subdivision 5;

(2) teacher retirement and FICA aid, according to Minnesota Statutes 1986, sections 124.2162 and 124.2163;

(3) chemical dependency aid, according to Minnesota Statutes 1986, section 124.246;

(4) gifted and talented education aid, according to Minnesota Statutes 1986, section 124.247;

(5) interdistrict cooperation aid and levy, according to Minnesota Statutes 1986, sections 124.272 and 275.125, subdivision 8a;

(6) *arts education aid, according to Minnesota Statutes 1986, section 124.275;*

(7) *summer program aid and levy, according to Minnesota Statutes 1986, sections 124A.03 and 124A.033;*

(8) *programs of excellence grants, according to Minnesota Statutes 1986, section 126.60; and*

(9) *liability insurance levy, according to Minnesota Statutes 1986, section 466.06.*

For the purpose of this subdivision, intermediate districts and other employing units, as defined in Minnesota Statutes 1986, section 124.2161, shall allocate the amount of their teacher retirement and FICA aid for fiscal year 1988 among their participating school districts.

(c) *"Minimum allowance" for a district means:*

(1) *the district's 1987-1988 revenue, according to subdivision 1; divided by*

(2) *the district's 1987-1988 actual pupil units, adjusted for the change in secondary pupil unit weighting from 1.4 to 1.35 made by Laws 1987, chapter 398; plus*

(3) *\$40 for fiscal year 1989 and \$95 for fiscal year 1990."*

Renumber the sections of article 1 in sequence

Page 24, line 1, delete *"Upon request of"*

Page 24, line 2, delete *"for a"* and insert *"who contracts with, or is employed by, the council may request an extended"* and delete the comma and insert *"under section 125.60."*

Page 24, line 3, delete everything after *"and"*

Page 24, line 4, delete everything before *"Minnesota"*

Page 24, line 5, delete *"subdivisions 3, 4, 5, 6a, 6b, and 8, govern"* and insert *"governs"*

Page 35, after line 1, insert:

"(ii) the relationship between educational expenditures and student achievement;"

Page 35, line 2, delete *"(ii)"* and insert *"(iii)"*

Page 35, line 4, delete *"(iii)"* and insert *"(iv)"*

Page 35, line 7, delete *"(iv)"* and insert *"(v)"*

Page 42, line 5, delete everything after the period

Page 42, delete lines 6 and 7

Page 46, line 5, after the period, insert *"The governing board of a public pension or retirement fund may waive the penalty or any portion of the penalty if it is in the financial interest of the fund."*

Page 47, line 21, after the period, insert *"The governing board of a public pension or retirement fund may waive the penalty or any portion of the penalty if it is in the financial interest of the fund."*

Page 55, line 5, delete *"this section and"*

Page 55, delete lines 6 to 8

Page 55, line 10, delete "*approves of the construction*" and insert "*submits a positive review and comment for a proposal*"

Page 55, lines 10 and 15, after "*121.15,*" insert "*subdivision 2, clause (b), or subdivision 8,*"

Page 55, line 14, delete "*disapproves of the construction*" and insert "*submits a negative review and comment for a proposal,*"

Page 55, line 16, delete everything after the period and insert "*If, upon reconsideration, the school board decides to proceed with construction, it may initiate proceedings for issuing bonds to finance construction under sections 475.51 to 475.76.*"

Page 55, delete line 17

Page 55, line 18, delete everything before "*Unless*"

Page 55, line 19, delete "*constructing*" and insert "*issuing*"

Page 55, delete line 20 and insert "*the obligations, the board is not authorized to issue the obligations.*"

Renumber the subdivisions in sequence

Page 55, line 23, reinstate the stricken "**REVIEW AND COMMENT**" and delete "**APPROVAL**"

Page 55, line 25, reinstate the stricken "**CONSULTATION**" and delete "**APPLICATION**"

Page 55, line 26, reinstate the stricken "consult with" and delete "apply to"

Page 55, lines 30 and 35, reinstate the stricken "consultation" and delete "application"

Page 56, line 35, reinstate the stricken "**REVIEW AND COMMENT**" and delete "**APPROVAL**"

Page 57, line 3, reinstate the stricken "review and comment" and delete "approval"

Page 57, line 25, before the semicolon, insert "*and within school districts adjacent to the area to be served*"

Page 58, lines 6 to 9, reinstate the stricken language and delete the new language

Page 58, line 11, after the period, insert "*If the commissioner submits a negative review and comment for a portion of a proposal, the review and comment shall clearly specify which portion of the proposal received a negative review and comment and which portion of the proposal received a positive review and comment.*"

Page 58, delete lines 12 to 18

Page 58, line 22, reinstate the stricken "review and comment" and delete "approval or disapproval" and strike "a" and insert "the"

Page 58, line 23, reinstate the stricken "legal" and strike "general circulation in the area" and insert "*the district*"

Page 58, lines 28 to 30, reinstate the stricken language and delete the

new language

Page 59, line 31, delete everything after the period

Page 59, line 32, delete everything before "If"

Page 59, line 36, delete "annually" and insert "biannually"

Page 60, line 1, delete "subsequent" and insert "odd-numbered"

Page 60, line 11, after the period, insert "*For the purpose of determining revenue for the 1989-1990 and the 1990-1991 school years, the unreserved balance in the school facilities account on June 30 of the second prior school year is zero.*"

Page 60, line 29, delete everything after the first "for"

Page 60, delete lines 30 and 31

Page 60, line 32, delete "including"

Page 61, line 1, before the semicolon, insert "*, including the costs of building repair or improvement that are part of a lease agreement*"

Page 61, delete lines 27 to 32

Renumber the subdivisions in sequence

Page 62, line 2, delete "*, subject to subdivisions 6 and 7,*"

Page 64, line 1, before the period, insert "*; or interest income attributable to the down payment account shall be credited to the account*"

Page 64, line 3, delete "may" and insert "shall"

Page 65, after line 19, insert:

"Sec. 8. [1988 LEVY FOR LEASING BUILDINGS.]

In addition to the levy authorized in section 4, a district may levy in 1988 the amount the district would have been authorized to levy in 1987 for the cost of renting or leasing buildings according to Minnesota Statutes, section 275.125, subdivision 12, had the authority to levy for this purpose not been repealed."

Renumber the sections of article 7 in sequence

Amend the title as follows:

Page 1, line 21, before the second semicolon, insert "*, and by adding a subdivision*"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 2183: A bill for an act relating to crimes; increasing penalties for certain crimes when committed because of the victim's race, color, religion, sex, affectional or sexual orientation, or national origin; amending Minnesota Statutes 1986, sections 609.223; 609.605, by adding a subdivision; 609.79, by adding a subdivision; and Minnesota Statutes 1987 Supplement, sections 609.595, subdivisions 2, 3, and by adding a subdivision; 609.746, by adding a subdivision; and 609.795.

Reports the same back with the recommendation that the bill be amended

as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1986, section 609.2231, is amended by adding a subdivision to read:

Subd. 4. [ASSAULTS MOTIVATED BY BIAS.] (a) Whoever assaults another because of the victim's actual or perceived race, color, religion, sex, sexual orientation, age, disability, or national origin may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both.

(b) Whoever does either of the following is guilty of a felony and may be sentenced to imprisonment for not more than one year and a day or to payment of a fine of not more than \$3,000, or both:

(1) assaults another because of the victim's actual or perceived race, color, religion, sex, sexual orientation, age, disability, or national origin and inflicts demonstrable bodily harm; or

(2) violates the provisions of paragraph (a) within five years of a previous conviction under paragraph (a).

Sec. 2. Minnesota Statutes 1987 Supplement, section 609.595, is amended by adding a subdivision to read:

Subd. 1a. [CRIMINAL DAMAGE TO PROPERTY IN THE SECOND DEGREE.] (a) Whoever intentionally causes damage described in subdivision 2, paragraph (a), because of the property owner's or another's actual or perceived race, color, religion, sex, sexual orientation, age, disability, or national origin is guilty of a felony and may be sentenced to imprisonment for not more than one year and a day or to payment of a fine of not more than \$3,000, or both.

(b) In any prosecution under paragraph (a), the value of property damaged by the defendant in violation of that paragraph within any six-month period may be aggregated and the defendant charged accordingly in applying this section. When two or more offenses are committed by the same person in two or more counties, the accused may be prosecuted in any county in which one of the offenses was committed for all of the offenses aggregated under this paragraph.

Sec. 3. Minnesota Statutes 1987 Supplement, section 609.595, subdivision 2, is amended to read:

Subd. 2. [CRIMINAL DAMAGE TO PROPERTY IN THE ~~SECOND~~ THIRD DEGREE.] (a) Except as otherwise provided in section 2, whoever intentionally causes damage to another person's physical property without the other person's consent may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both, if the damage reduces the value of the property by more than \$250 but not more than \$500 as measured by the cost of repair and replacement.

(b) Whoever intentionally causes damage to another person's physical property without the other person's consent because of the property owner's or another's actual or perceived race, color, religion, sex, sexual orientation, age, disability, or national origin may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both, if the damage reduces the value of the property by not more than \$250.

(c) In any prosecution under paragraph (a), the value of property damaged by the defendant in violation of that ~~clause~~ *paragraph* within any six-month period may be aggregated and the defendant charged accordingly in applying this section. When two or more offenses are committed by the same person in two or more counties, the accused may be prosecuted in any county in which one of the offenses was committed for all of the offenses aggregated under this paragraph.

Sec. 4. Minnesota Statutes 1987 Supplement, section 609.595, subdivision 3, is amended to read:

Subd. 3. [CRIMINAL DAMAGE TO PROPERTY IN THE ~~THIRD~~ *FOURTH* DEGREE.] Whoever intentionally causes damage described in subdivision 2 under ~~any other~~ circumstances *other than those described in section 2 or subdivision 2* is guilty of a misdemeanor.

Sec. 5. Minnesota Statutes 1986, section 609.605, is amended by adding a subdivision to read:

Subd. 3. [TRESPASSES MOTIVATED BY BIAS.] *Whoever commits an act described in subdivision 1, clause (13), because of the property owner's actual or perceived race, color, religion, sex, sexual orientation, age, disability, or national origin may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both.*

Sec. 6. Minnesota Statutes 1987 Supplement, section 609.746, is amended by adding a subdivision to read:

Subd. 3. [INTRUSION ON PRIVACY; AGGRAVATED VIOLATION.] *Whoever commits an act described in subdivision 2 because of the victim's actual or perceived race, color, religion, sex, sexual orientation, age, disability, or national origin may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both.*

Sec. 7. Minnesota Statutes 1986, section 609.79, is amended by adding a subdivision to read:

Subd. 1a. [OBSCENE TELEPHONE CALLS; AGGRAVATED VIOLATION.] *Whoever commits an act described in subdivision 1 because of the victim's actual or perceived race, color, religion, sex, sexual orientation, age, disability, or national origin may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both.*

Sec. 8. Minnesota Statutes 1987 Supplement, section 609.795, is amended to read:

609.795 [LETTER, TELEGRAM, OR PACKAGE; OPENING; HARASSMENT.]

Subdivision 1. [MISDEMEANORS.] Whoever does any of the following is guilty of a misdemeanor:

(1) knowing that the actor does not have the consent of either the sender or the addressee, intentionally opens any sealed letter, telegram, or package addressed to another; or

(2) knowing that a sealed letter, telegram, or package has been opened without the consent of either the sender or addressee, intentionally publishes any of the contents thereof; or

(3) with the intent to harass, abuse, or threaten, repeatedly uses the mails

or delivers letters, telegrams, or packages.

Subd. 2. [GROSS MISDEMEANOR.] Whoever commits an act described in subdivision 1, clause (3), because of the victim's actual or perceived race, color, religion, sex, sexual orientation, age, disability, or national origin may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both.

Sec. 9. [EFFECTIVE DATE.]

Sections 1 to 8 are effective August 1, 1988, and apply to crimes committed on or after that date."

Amend the title as follows:

Page 1, line 6, delete "609.223" and insert "609.2231, by adding a subdivision"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

S.F. No. 2196: A bill for an act relating to economic development; authorizing the commissioner to award set-aside procurements to local small businesses; amending Minnesota Statutes 1986, section 16B.19, subdivision 5; Minnesota Statutes 1987 Supplement, sections 16B.19, subdivision 6; and 645.445, subdivision 5.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 26, before the period, insert "*and shall report annually to the governmental operations committees of the house of representatives and the senate on the use and impact of this provision*"

Page 2, lines 11 to 18, delete the new language

Pages 2 to 4, delete section 2

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, delete everything after "commissioner" and insert "to report on geographical distribution of set-aside awards for"

Page 1, line 6, delete everything after the first comma and insert "section"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

S.F. No. 2175: A bill for an act relating to retirement; local government correctional service retirement plan; clarifying coverage periods; adjusting member and employer contribution rates; clarifying annuity calculations for fractional service; clarifying the duration of initial annuity payments; providing for the augmentation of deferred annuities; amending Minnesota Statutes 1987 Supplement, sections 353C.03; 353C.05; 353C.06, subdivisions 3 and 4; and 353C.07.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1
TEACHERS RETIREMENT ASSOCIATION

Section 1. Minnesota Statutes 1987 Supplement, section 136.82, subdivision 1, is amended to read:

Subdivision 1. [GENERALLY.] (a) The executive director of the teachers retirement fund shall redeem shares in the accounts of the Minnesota supplemental retirement investment fund standing in an employee's share account record under the following circumstances, but always in accordance with the laws and rules governing the Minnesota supplemental retirement investment fund:

(1) (b) *The executive director shall redeem shares under this subdivision when requested to do so in writing on forms provided by the executive director of the teachers retirement fund by a person having shares to the credit of the employee's share account record, if the person is age 55 years of age or older and is no longer employed by the state university board or state board for community colleges. In such case the person shall must receive the cash realized on the redemption of the shares. The person may direct the redemption of not more than 20 percent of the person's shares in the employee's share account record in any one year and may not direct more than one redemption in any one calendar month; provided, however, that the state university board or its designee, in the case of a person employed by the state university board, and the state board for community colleges or its designee, in the case of a person employed by the state board for community colleges, may, upon application, in at their sole discretion, permit greater withdrawals in any one year.*

(2) (c) *The executive director shall redeem shares under this subdivision when requested to do so in writing; on forms provided by the executive director of the teachers retirement fund, by a person having shares to the credit of the employee's share account record, if the person has left employment by the state university board or state board for community colleges because of a total and permanent disability as defined in section 354.05, subdivision 14, and. If the executive director of the teachers retirement fund finds that the person is totally and permanently disabled and will as a result be unable to return to similar employment, the person shall must receive the cash realized on the redemption of the shares. The person may direct the redemption of not more than 20 percent of the shares in the employee's share account record in any one year and may not direct more than one redemption in any one calendar month; provided, however, that the state university board or its designee, in the case of a person employed by the state university board, and the state board for community colleges or its designee, in the case of a person employed by the state board for community colleges, may, upon application, in at their sole discretion, permit greater withdrawals in any one year. If the person returns to good health, the person shall owe owes no restitution to the state or any a fund created established by its laws for a redemption directed pursuant to under this paragraph.*

(3) (d) *The executive director shall redeem shares under this subdivision in the event of the death of a person having shares to the credit of the*

employee's share account record and leaving a surviving spouse, then when requested to do so in writing, on forms provided by the executive director of the teachers retirement fund, by the surviving spouse. The surviving spouse shall must receive the cash realized on the redemption of the shares. The surviving spouse may direct the redemption of not more than 20 percent of the shares in the deceased spouse's employee's share account record in any one year and may not direct more than one redemption in any one calendar month; provided, however, that the state university board or its designee, in the case of a person employed by the state university board, and the state board for community colleges or its designee, in the case of a person employed by the state board for community colleges, may, upon application, in at their sole discretion, permit greater withdrawals in any one year. In that case the surviving spouse shall must receive the cash realized from the redemption of the shares. Upon the death of the surviving spouse any shares remaining in the employee's share account record shall must be redeemed by the executive director of the teachers retirement fund and the cash realized therefrom from the redemption must be distributed to the estate of the surviving spouse.

(4) (e) In the event of the death of a person having shares to the credit of the employee's share account record and leaving no surviving spouse, then the executive director of the teachers retirement fund shall redeem all shares to the credit of the employee's share account record and pay the cash realized therefrom from the redemption to the estate of the deceased person.

(5) (f) The executive director shall redeem shares under this subdivision when requested to do so in writing, on forms provided by the executive director of the teachers retirement fund, by a person having shares to the credit of the employee's share account record, if the person is no longer employed by the state university board or state board for community colleges, but does not qualify under the provisions of paragraphs (4) (b) to (4) (e). In that case one-half of the cash realized on the redemption of shares shall must be received by the person and one-half shall become becomes the property of the supplemental retirement plan account of the teachers retirement fund. Annually on July 1 the cancellations of the previous 12 months shall must be prorated among the employees share accounts in proportion to the value which that each account bears to the total value of all share accounts.

Sec. 2. [354.095] [UNREQUESTED LEAVE OF ABSENCE.]

Subdivision 1. [SERVICE CREDIT CONTRIBUTIONS.] A member placed on unrequested leave of absence for reasons other than for cause under section 125.12, subdivision 6a or 6b, or 125.17, may pay employee contributions and receive allowable service credit toward annuities and other benefits under this chapter for each year of the leave if the member or the school board or both make the required employer contribution in any proportion they may agree upon during the period of the leave, which may not exceed five years. The state may not pay employer contributions into the fund for a year in which a member is on unrequested leave. Employee and employer contributions must be based on the rates of contribution prescribed by section 354.42 for the salary received during the year immediately preceding the unrequested leave. Payments for the years for which a member is receiving service credit while on unrequested leave must be made before July 1 of each fiscal year for which service credit is received or within 30 days after first notification by the association of the amount due, if requested by the member, whichever is later. No payment may be

made after the following September 30. Payments received after June 30 must include six percent interest from June 30 to the end of the month in which payment is received.

Subd. 2. [MEMBERSHIP RETENTION.] Notwithstanding section 354.49, subdivision 4, clause (3), a member on unrequested leave whose employee and employer contributions are paid into the fund according to subdivision 1 retains membership in the association for as long as the contributions are paid, under the same terms and conditions as if the member had continued to teach in the reporting unit.

Subd. 3. [EFFECT OF NONPAYMENT.] A member on unrequested leave who does not pay employee contributions or whose employer contribution is not paid into the fund in any year is deemed to cease to render teaching services beginning in that year for purposes of this chapter and may not pay employee or employer contributions into the fund in any subsequent year of the leave. Nonpayment of contributions into the fund does not affect the rights or obligations of the member or the member's employer under section 125.12.

Subd. 4. [NONRESUMPTION OF TEACHING.] If a member who pays employee contributions into the fund for the maximum duration of an unrequested leave does not resume teaching in the first school year after that maximum duration has elapsed, the member is deemed to cease to render teaching services beginning in that year for purposes of this chapter.

Subd. 5. [APPLICABILITY.] This section does not apply to a member who is discharged, on extended leave of absence or layoff, or whose contract is terminated while the member is on an unrequested leave of absence.

Subd. 6. [LIMITATION.] A member who pays employee contributions and receives allowable service credit in the fund under this section may not pay employee contributions or receive allowable service credit for the same fiscal year in any other Minnesota public employee pension plan, except a volunteer firefighters relief association governed by sections 69.771 to 69.776. This subdivision may not be construed to prohibit a member who pays employee contributions and receives allowable service credit in the fund according to this section in any year from being employed as a substitute teacher by a school district during that year. Notwithstanding the provisions of sections 354.091 and 354.42, a member may not pay retirement contributions or receive allowable service credit in the fund for teaching service rendered for any part of a year for which the member pays retirement contributions or receives allowable service credit under this section or section 354A.091 while on an unrequested leave of absence.

Sec. 3. [354A.095] [UNREQUESTED LEAVE OF ABSENCE.]

Subdivision 1. [RETIREMENT CONTRIBUTIONS.] Notwithstanding any provision to the contrary in this chapter or the articles of incorporation or bylaws of an association relating to the salary figure to be used for the determination of contributions or the accrual of service credit, an elementary, secondary, or area vocational-technical school teacher in the public schools of a city of the first class who is placed on unrequested leave of absence for reasons other than for cause under section 125.17 may pay employee contributions to the association of which the person is a member and be entitled to receive allowable service credit in that association for each year of leave, provided the member or the school board or both make the required employer contributions, in any proportion they

may agree upon, to that association during the period of leave, which may not exceed five years. The state may not make an employer contribution on behalf of the teacher. Employee and employer contributions must be based upon the rates of contribution prescribed by section 354A.12 as applied to a salary figure equal to the teacher's actual covered salary for the plan year immediately preceding the leave. Payment of the employee and employer contributions authorized under this section must be made before July 1 of the fiscal year for which service credit is to be received or within 30 days after first notification by the association of the amount due, if requested by the member, whichever is later. No payment may be made after the following September 30. Payments received after June 30 must include six percent interest from June 30 to the end of the month in which payment is received. No allowable service with respect to a year of unrequested leave of absence may be credited to a teacher until payment of the required employee and employer contributions has been received by the association.

Subd. 2. [MEMBERSHIP RETENTION.] A teacher on unrequested leave of absence under section 125.17 whose employee and employer contributions are made to an association under subdivision 1 retains membership in the association for each year during which the contributions are made, under the same terms and conditions as if the teacher had continued to teach in the district.

Subd. 3. [EFFECT OF NONPAYMENT.] A teacher on unrequested leave of absence under section 125.17 who does not make employee contributions or whose employer contribution is not made to an association under subdivision 1 in any year is deemed to have ceased to be an active member of the association and to have ceased to render teaching services beginning in that year, for purposes of this chapter and the articles of incorporation and bylaws of the association, and may not pay employee or employer contributions into the fund in any subsequent year of the leave. Nonpayment of contributions into the fund does not affect the rights or obligations of the teacher or the teacher's employing school district under section 125.17.

Subd. 4. [NONRESUMPTION OF TEACHING.] If a teacher who has made employee contributions to an association for the agreed maximum duration of an unrequested leave of absence does not resume teaching service in the first school year after that maximum duration has elapsed, the teacher is deemed to have ceased to be an active member of the association and to have ceased to render teaching services beginning in the first school year after that maximum duration has elapsed, for purposes of this chapter and the articles of incorporation and bylaws of the association.

Subd. 5. [APPLICABILITY.] This section does not apply to a teacher who is discharged under section 125.17 while the teacher is on an unrequested leave of absence.

Subd. 6. [LIMITATION.] A teacher who makes employee contributions to and receives allowable service credit in an association under this section may not make employee contributions or receive allowable service credit for the same period of time in any other Minnesota public employee pension plan, except a volunteer firefighters relief association governed by sections 69.771 to 69.776. This subdivision may not be construed to prohibit a member who pays employee contributions and receives allowable service credit in the fund under this section in any year from being employed as a substitute teacher by any school district during that year. Notwithstanding

the provisions of this chapter or the bylaws of a retirement association, a teacher may not pay retirement contributions or receive allowable service credit in the fund for teaching service rendered for any part of a year for which the teacher pays retirement contributions or receives allowable service credit under section 354.094 or this section while on an unrequested leave of absence under section 125.17.

Sec. 4. [BUY-BACK IF CURRENTLY ON UNREQUESTED LEAVE.]

Notwithstanding any law to the contrary, a member of the teachers retirement association or a teachers retirement fund association governed by chapter 354A who is on unrequested leave of absence during the 1987 or 1988 fiscal year may make employee contributions and receive allowable service credit toward annuities and other benefits under chapter 354 or 354A for each year the member has been on leave, but not more than five years. A member and a school board may make the required employer contributions in any proportion they agree upon. If a school board does not agree to make any of the required employer contributions, the member shall make the entire employer contributions. Payments for the amount of the 1987 or 1988 fiscal year and preceding years for which the member is eligible must be made before July 1, 1989, or within 30 days after first notification by the association of the amount due, if requested by the member, whichever is later. No payment may be made after September 30, 1989. Payments must include six percent interest compounded annually from the end of the fiscal year for which payment is made to the end of the month in which payment is received. Except as otherwise provided, the provisions of section 1 apply to members covered by this section.

Sec. 5. [REPEALER.]

Minnesota Statutes 1986, sections 125.60; 136.88; 354.094, subdivisions 1a, 1b, 2, 3, 4, 5, and 6; and 354A.091, are repealed effective June 30, 1992. Minnesota Statutes 1987 Supplement, section 354.094, subdivision 1, is repealed effective June 30, 1992. Sections 2, 3, and 4 are repealed effective June 30, 1992.

Sec. 6. [EFFECTIVE DATE.]

Sections 1 to 4 are effective July 1, 1988.

ARTICLE 2

HISTORICAL SOCIETY EMPLOYEES

Section 1. Minnesota Statutes 1987 Supplement, section 353.01, subdivision 2a, is amended to read:

Subd. 2a. [INCLUDED EMPLOYEES.] The following persons are included in the meaning of "public employee":

- (a) (1) elected or appointed officers and employees of elected officers.
- (b) (2) district court reporters.
- (c) (3) officers and employees of the public employees retirement association.
- (d) (4) employees of the league of Minnesota cities.
- (e) (5) officers and employees of public hospitals, owned or operated by, or an integral part of, any a governmental subdivision or governmental subdivisions.

(f) (6) employees of a school district who receive separate salaries for driving their own buses.

(g) (7) employees of the association of Minnesota counties.

(h) (8) employees of the metropolitan intercounty association.

(i) (9) employees of the Minnesota Municipal utilities association.

(j) (10) employees of the metropolitan airports commission if employment initially ~~commences on or~~ commenced after July 1 June 30, 1979.

(k) (11) employees of the Minneapolis employees retirement fund, if employment initially ~~commences on or~~ commenced after July 1 June 30, 1979.

(l) (12) employees of the range association of municipalities and schools.

(m) (13) employees of the soil and water conservation districts.

(n) (14) employees of a county historical society who are county employees.

(o) (15) *employees of a county historical society located in the county whom the county, at its option, certifies to the executive director to be county employees for purposes of retirement coverage under this chapter, which status must be accorded to all similarly situated county historical society employees and, once established, must continue as long as a person is an employee of the county historical society and is not excluded under subdivision 2b.*

(16) employees of an economic development authority created under sections 458C.01 to 458C.23.

(p) (17) employees of the department of military affairs of the state of Minnesota who are full-time firefighters.

Sec. 2. Minnesota Statutes 1986, section 471.61, subdivision 1, is amended to read:

Subdivision 1. [OFFICERS, EMPLOYEES.] ~~Any~~ A county, municipal corporation, town, school district, county extension committee, other political subdivision or other body corporate and politic of this state, other than the state or any department ~~thereof~~ of the state, through its governing body, and any two or more subdivisions acting jointly through their governing bodies, may insure or protect its or their officers and employees, and their dependents, or any class or classes ~~thereof~~ of officers, employees, or dependents, under a policy or policies, or contract or contracts of group insurance or benefits covering life, health, and accident, in the case of employees, and medical and surgical benefits, and hospitalization insurance or benefits, for both employees and dependents, or dependents of an employee whose death was due to causes arising out of and in the course of employment, or any one or more of ~~such~~ those forms of insurance or protection. ~~Any such~~ A governmental unit, including county extension committees and those paying their employees, may pay all or any part of the premiums or charges on ~~such~~ the insurance or protection. ~~Any such~~ A payment ~~shall be~~ is deemed to be additional compensation paid to ~~such~~ the officers or employees, but for purposes of determining contributions or benefits under ~~any~~ a public pension or retirement system it ~~shall~~ is not be deemed to be additional compensation. ~~Any~~ One or more of ~~such~~ governmental units may determine that a person is an officer or employee if ~~such officer or employee~~ the person receives income from ~~such~~ the governmental subdivisions without

regard to the manner of election or appointment, *including but not limited to employees of county historical societies that receive funding from the county.* The appropriate officer of ~~such~~ the governmental unit, or those disbursing county extension funds, shall deduct from the salary or wages of each officer and employee who elects to become insured or so protected, on the officer's or employee's written order, all or part of the officer's or employee's share of ~~such~~ premiums or charges and remit the ~~same share or portion~~ to the insurer or company issuing ~~such~~ the policy or contract.

~~Any~~ A governmental unit, other than a school district, ~~which~~ that pays all or ~~any~~ part of ~~such~~ the premiums or charges is authorized to levy and collect a tax, if necessary, in the next annual tax levy for the purpose of providing the necessary ~~funds~~ money for the payment of ~~such~~ the premiums or charges, and ~~such~~ the sums ~~so~~ levied and appropriated ~~shall~~ are not, in the event ~~such~~ the sum exceeds the maximum sum allowed by any law or the charter of a municipal corporation, ~~be~~ considered part of the cost of government of ~~such~~ the governmental unit as defined in any tax levy or per capita expenditure limitation; provided at least 50 percent of the cost of benefits on dependents ~~shall~~ must be contributed by the employee or be paid by levies within existing per capita tax limitations.

The word "dependents" as used ~~herein shall mean~~ in this subdivision means spouse and minor unmarried children under the age of 18 years actually dependent upon the employee.

ARTICLE 3

PURCHASES OF PRIOR SERVICE AND RELATED PROVISIONS

Section 1. [PURCHASES OF PRIOR SERVICE.]

Subdivision 1. [ELIGIBILITY.] The following persons are eligible to purchase credit for the specified period or periods of prior service from the indicated retirement fund:

(1) from the public employees retirement association, a person whose employment with the city of Hibbing began in June 1971, but for whom no salary deductions were taken until June 1973, for the period for which the deductions were omitted;

(2) from the public employees retirement association, a person who is currently a state employee and who has prior service as an employee of the Fond du Lac Indian reservation from July 2, 1973, to December 29, 1980, for that period of employment by the Fond du Lac Indian reservation for which the person has not previously received service credit;

(3) from the general state employees retirement fund of the Minnesota state retirement system, a permanent employee of the metropolitan sports facilities commission who was an employee of the metropolitan sports facilities commission on May 17, 1977, and who was born on January 10, 1930, and began employment by the commission in 1956 or who was born on November 14, 1937, and began employment by the commission in 1961, and who did not exercise an option to purchase the prior service under Minnesota Statutes, section 473.565, subdivision 3 or 4, for that period of direct or indirect employment by the commission for which the person has not previously received service credit;

(4) from the teachers retirement association, a member who rendered teaching service, as defined in Minnesota Statutes, section 354.05, before July 1, 1957, and who did not make contributions for the service because

of the limited or permanent exempt status of the person and optional membership, for that period of teaching service for which the person has not previously received service credit; and

(5) from the public employees retirement association, a person employed by a public hospital as defined in Minnesota Statutes, section 355.71, subdivision 3, who exercised an option under Laws 1963, chapter 793, section 3, subdivision 5, between July 1, 1963, and June 30, 1967, to terminate membership in the coordinated program of the public employees retirement association and who elects to resume public employees retirement association coordinated program membership under article 2, section 40, of a bill styled as H.F. No. 1709, if enacted by the legislature during the 1988 session.

Subd. 2. [PURCHASE PAYMENT AMOUNT.] For a person eligible to purchase credit for prior service under subdivision 1, there must be paid to the retirement fund of which the person is a member an amount equal to the present value, on the date of payment, of the amount of the additional retirement annuity that would be obtained by virtue of the purchase of the additional service credit, using the applicable preretirement interest rate specified in Minnesota Statutes, section 356.215, subdivision 4d, and the mortality table adopted for the retirement fund and assuming continuous future service in the retirement fund until, and retirement at, the age at which the minimum requirements of the retirement association for normal retirement or retirement with an annuity unreduced for retirement at an early age, including Minnesota Statutes, section 356.30, are met with the additional service credit purchased, and also assuming a future salary history that includes annual salary increases at the applicable salary increase rate specified in Minnesota Statutes, section 356.215, subdivision 4d. The person requesting the purchase of prior service shall establish in the records of the retirement fund proof of the service for which the purchase of prior service is requested. The manner of the proof of service must be in accordance with procedures prescribed by the executive director of the retirement fund.

Subd. 3. [PAYMENT; CREDITING SERVICE.] Payment must be made in one lump sum, unless the executive director of the retirement fund agrees to accept payment in installments over a period not to exceed three years from the date of the agreement, with interest at a rate deemed appropriate by the executive director. The period of allowable service may be credited to the account of the person only after receipt of full payment by the executive director.

Subd. 4. [OPTIONAL EMPLOYER PARTIAL PAYMENT.] Payment must be made by the person entitled to purchase prior service. However, the current or former employer of a person specified in subdivision 1, clause (1), (2), (4), or (5), may, at its discretion, and the metropolitan sports facilities commission for a person specified in subdivision 1, clause (3), shall pay all or any portion of the payment amount that exceeds an amount equal to the employee contribution rates in effect for the retirement fund during the period or periods of prior service applied to the actual salary rates in effect during the period or periods of prior service, plus interest at the rate of six percent a year compounded annually from the date on which the contributions would otherwise have been made to the date on which the payment is made.

Sec. 2. [PAYMENT OF CERTAIN OMITTED EMPLOYEE AND

EMPLOYER CONTRIBUTIONS.]

Notwithstanding any provision of Minnesota Statutes, section 353.27, subdivision 12, to the contrary, a person who was the elected clerk of court for Fillmore county from 1969 to 1976, who was appointed court administrator for Fillmore county in January 1977, who was discovered in 1985 not to have had appropriate member and employer contributions made on behalf of the person, and who retired before March 1, 1988, is entitled to receive credit in the public employees retirement association for public service during calendar years 1979, 1980, and 1981; to have omitted member deductions and employer contributions for those years treated as omitted amounts that are the obligation of Fillmore county without respect to any time limitation; and to have the retirement annuity of the person recomputed based on the additional service credit as of the first day of the month after the effective date of this section.

Sec. 3. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment. Section 2 is effective on approval by the board of county commissioners of Fillmore county and compliance with section 645.021.

ARTICLE 4

Section 1. Minnesota Statutes 1986, section 422A.02, is amended to read:

422A.02 [RETIREMENT BOARD; MEMBERS.]

A retirement board of ~~seven~~ *nine* members is hereby constituted which shall consist of the following:

- (1) Mayor, or a designee selected by the mayor;
- (2) One member of the city council selected by the council; ~~and~~
- (3) *The commissioner of finance or the commissioner's designee;*
- (4) *One member who is knowledgeable in retirement fund administration, is not a current or former elected or appointed official or employee of the city of Minneapolis or a public corporation as defined in section 422A.01, subdivision 9, and is not a resident of Hennepin county, appointed by the governor; and*
- (5) Five legally qualified voters to be chosen by the members of the retirement fund created by sections 422A.01 to 422A.25 at least two of whom shall be retired members. The members may form an association for that purpose and the employing authorities are authorized to make payroll deductions for the payment of dues to the association. The persons selected shall serve for staggered terms of three years from the first of the next succeeding January after their election, and until their successors are duly elected. The selection shall be made by the members of the association during the first week of December of each year. Vacancies occurring by death, resignation, or removal of representatives shall be filled by representatives chosen by the members of the association.

Sec. 2. Minnesota Statutes 1986, section 422A.03, subdivision 2, is amended to read:

Subd. 2. The executive director may be removed by a ~~four-sevenths~~ *five-ninths* vote of all members of the board at a meeting called for that purpose. Before exercising the power of removal, 15 days written notice shall ~~must~~

be given to the executive director setting forth the cause for removal and stating the time and place where the charges will be heard. The hearing shall *must* be open to the public. Other employees under the supervision of the board and employees appointed hereafter shall be are subject to applicable civil service laws and rules of the city unless the board determines that they should be unclassified. The board shall fix the compensation of the executive director and the other employees under the supervision of the board shall be fixed by the board.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective the day following final enactment.

ARTICLE 5
TRANSIT COMMISSION EMPLOYEES

Section 1. Minnesota Statutes 1986, section 473.418, is amended to read:

473.418 [DISABILITY AND SURVIVORSHIP COVERAGE.]

From and after the effective date of Laws 1978, chapter 538, the metropolitan transit commission shall provide for all active employees of the transit operating division of the metropolitan transit commission disability and survivorship coverage which, when added to the disability benefit or the survivorship benefit payable from the Minnesota state retirement system pursuant to sections 352.113 or 352.12, subdivision 2, will at least equal the disability benefit or the survivorship benefit which that employee at the time of disability or the employee's surviving spouse at the time of the death of the employee while on active duty would have been entitled to receive under the disability benefit or survivor of active employee deceased while on active duty benefit provisions of the metropolitan transit commission-transit operating division employees retirement fund plan document in effect on December 31, 1977. The metropolitan transit commission shall not be required to provide any supplementary disability benefit coverage or benefit amount to replace the amount of any reduction in any disability payable from the Minnesota state retirement system due to the receipt of benefits under the workers' compensation law unless no offset of the amount of workers' compensation benefits from the amount of a disability benefit was required pursuant to the provisions of article 10 of the metropolitan transit commission-transit operating division employees retirement fund plan document in effect on December 31, 1977. The metropolitan transit commission may elect to provide the additional disability and survivorship coverage either through contract with an insurance carrier or through self insurance. If the commission elects to provide the coverage through an insurance contract, the chair of the metropolitan transit commission is authorized to request bids from, or to negotiate with, insurance carriers and to enter into contracts with carriers which in the judgment of the commission are best qualified to underwrite and service this insurance benefit coverage. The commission shall consider factors such as the cost of the contracts as well as the service capabilities, character, financial position and reputation with respect to carriers under consideration, as well as any other factors which the commission deems appropriate. The disability and survivorship insurance contract with the particular insurance carrier shall be for a uniform term of at least one year, but may be made automatically renewable from term to term in absence of notice of termination by either party. The disability and survivorship insurance contract

shall contain a detailed statement of benefits offered, maximums, limitations and exclusions. A summary description of the essential terms of the contract shall be provided by the commission to the labor organization which is the exclusive bargaining agent representing employees of the transit operating division of the metropolitan transit commission and to each active employee of the transit operating division. The determination of whether the disability or survivorship insurance coverage meets the minimum requirements of this section shall be made by the commission upon consultation with the executive director of the Minnesota state retirement system. If the disability or survivorship coverage provided by the metropolitan transit commission fails at any time after the effective date of Laws 1978, chapter 538 to meet the requirements of this section as to the level of disability or survivorship coverage to be provided, the deficiency in the actual benefits provided shall continue to be an obligation of the commission. Notwithstanding any provisions of chapter 179 to the contrary, the labor organization which is the exclusive bargaining agent representing employees of the transit operating division of the metropolitan transit commission may meet and bargain with the commission on an increase in the level of disability or survivor of active employee deceased while on active duty coverage to be provided by the commission at the same time that wages and other terms and conditions of employment are considered. *This section does not apply to employees hired after December 31, 1977.*"

Delete the title and insert:

"A bill for an act relating to retirement; making technical changes in the law governing the teachers retirement association; providing for service credit contributions during unrequested leaves of absence; including certain county historical society employees in the membership of the public employees retirement association; authorizing certain persons to purchase prior service; adding members to the board of the Minneapolis employees retirement fund; excluding certain metropolitan transit commission employees from additional disability and survivorship coverage; amending Minnesota Statutes 1986, sections 422A.02; 422A.03, subdivision 2; 471.61, subdivision 1; and 473.418; Minnesota Statutes 1987 Supplement, sections 136.82, subdivision 1; and 353.01, subdivision 2a; proposing coding for new law in Minnesota Statutes, chapters 354 and 354A; repealing Minnesota Statutes 1986, sections 125.60; 136.88; 354.094, subdivisions 1a, 1b, 2, 3, 4, 5, and 6; and 354A.091; Minnesota Statutes 1987 Supplement, section 354.094, subdivision 1."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

H.F. No. 1077: A bill for an act relating to retirement; conforming mandatory retirement provisions for public employees to the federal Age Discrimination in Employment Amendments of 1986; amending Minnesota Statutes 1986, sections 43A.34, subdivisions 1 and 4; 181.81, subdivision 1; 181.811; 354.44, subdivision 1a; 354A.21; 422A.09, subdivision 3; and 423.076; repealing Minnesota Statutes 1986, sections 43A.34, subdivision 2; 125.12, subdivision 5; and 473.419.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

VOLUNTEER FIREFIGHTERS RELIEF ASSOCIATIONS

Section 1. [60A.40] [APPROVAL OF VOLUNTEER FIRE ANNUITY CONTRACT BUSINESS.]

No insurance company that issues single premium annuity contracts may enter into an annuity contract with a volunteer firefighters relief association in this state unless the insurance company has been authorized to conduct this type of business by the commissioner. If the commissioner finds that the insurance company is rated according to a recognized national rating agency or organization among the top 25 percent of all insurance companies doing this type of business and is so situated and has sufficient capabilities to service these contracts throughout the state, the commissioner shall approve the insurance company for the conduct of this type of business.

Sec. 2. Minnesota Statutes 1986, section 424A.02, is amended by adding a subdivision to read:

Subd. 8a. [PURCHASE OF ANNUITY CONTRACTS.] A relief association providing a lump-sum service pension, if the governing articles of incorporation or bylaws so provide, may purchase an annuity contract on behalf of a retiring member in an amount equal to the service pension otherwise payable at the request of the person and in place of a direct payment to the person. The annuity contract must be purchased from an insurance carrier licensed to do business in this state and approved for this product by the commerce commissioner under section 1.

Sec. 3. Minnesota Statutes 1986, section 424A.02, is amended by adding a subdivision to read:

Subd. 12a. [COMBINED SERVICE PENSIONS.] If the articles of incorporation or bylaws of the associations so provide, a volunteer firefighter with total service credit of ten years or more as a member of two or more relief associations is entitled, when otherwise qualified, to a prorated service pension from each association in which the member has two years or more of service credit. The prorated service pension must be based on the service pension amount in effect for the relief association on the date volunteer firefighting services covered by that relief association terminate. To receive a service pension under this subdivision, the firefighter must become a member of the second or succeeding association and give notice of membership to the prior association within two years of termination of active service with the prior association. The notice must be attested to by the association secretary.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 and 2 are effective the day following final enactment.

Section 3 is effective July 1, 1988, and applies to service performed by a volunteer serving with a fire department on that date or thereafter.

ARTICLE 2

LOCAL POLICE AND FIRE RELIEF ASSOCIATIONS

Section 1. [VIRGINIA FIREFIGHTERS RELIEF ASSOCIATION; PRIOR LEGISLATION.] Laws 1987, chapter 372, article 2, section 16, is amended

to read:

Sec. 16. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment. Sections 2 to 6 and 15 are effective upon approval by the Minneapolis city council and compliance with Minnesota Statutes, section 645.021. Sections 7 to 9 are effective upon approval by the Hibbing city council and compliance with Minnesota Statutes, section 645.021. Section 10 is effective as approved by the governing body of the city of West St. Paul and if there is compliance with Minnesota Statutes, section 645.021, and the increase in service pensions payable due to section 10 is initially payable on January 1, 1988, and is applicable to any member of the West St. Paul police relief association who retired on or after February 1, 1985. Section 11 is effective upon approval by the Clifton independent nonprofit firefighting corporation and the approval of the governing body of the township of Duluth and compliance with Minnesota Statutes, section 645.021. Section 12 is effective upon approval by the Mankato city council and compliance with Minnesota Statutes, section 645.021. Section 13 is effective upon approval by the governing body of the city of Millerville and compliance with Minnesota Statutes, section 645.021. Section 14 is effective *retroactive to January 1, 1987*, upon approval by the Virginia city council and compliance with Minnesota Statutes, section 645.021.

Sec. 2. [VIRGINIA FIREFIGHTERS RELIEF ASSOCIATION; SURVIVOR BENEFITS.]

Survivor benefits accrued to a member of the Virginia firefighters relief association up to the date of death must be paid to surviving children, if any, if the spouse of the member predeceases the member. If no children survive the member, survivor benefits accrued to the member up to the date of death must be paid to the beneficiary designated by the member.

Sec. 3. [EVELETH POLICE AND FIREFIGHTERS; BENEFIT INCREASE.]

Notwithstanding any general or special law to the contrary, in addition to other benefits payable, retirement benefits payable to retired police officers and firefighters and their surviving spouses by the Eveleth police and fire trust fund may be increased by \$50 a month. Increases may be made retroactive to January 1, 1988.

Sec. 4. [FRIDLEY FIREFIGHTERS; DEFINED CONTRIBUTION PLAN.]

Notwithstanding any law to the contrary, the Fridley volunteer firefighters relief association may amend its articles of incorporation or bylaws to convert its defined benefit pension plan to a defined contribution plan. The conversion plan must provide for allocation of special fund assets among individual accounts to be established for each active firefighters association member. Instead of providing further defined pension plan benefits, the association shall purchase annuity contracts with existing special fund assets for retired members and for active members who may not qualify as a "volunteer firefighter" under Minnesota Statutes, chapter 424A. All provisions of Minnesota Statutes not inconsistent with this section govern the defined contribution plan established under this section.

Sec. 5. Laws 1955, chapter 151, section 9, subdivision 7, as amended by Laws 1963, chapter 271, section 6, is amended to read:

Subd. 7. The association shall pay to any member who, after not less than ~~ten~~ five years of service in the police department, retires because of sickness or injury occurring while not on duty and not engaged in police work and the retirement is necessary because the member is unable to perform police duties, a pension of ~~20~~ ten units per month, and for each additional year of service over ~~ten~~ five years, a pension of two units per month, but not to exceed a total of 40 units. If a member is entitled to more than 40 units through years of service, he shall receive those additional units over 40 when he becomes 50 years of age, but the total of these pension payments shall not exceed 50 units per month.

Sec. 6. [MINNETONKA VOLUNTEER FIREFIGHTERS.]

Subdivision 1. [EXCLUSION FROM COVERAGE.] Notwithstanding any law to the contrary, a volunteer firefighter serving with the Minnetonka fire department is excluded from the definition of "public employee" in Minnesota Statutes, section 353.01, subdivision 2, for activities undertaken as part of volunteer firefighter duties. Compensation paid to a Minnetonka volunteer firefighter for volunteer firefighting duties must be excluded from the definition of "salary" in section 353.01, subdivision 10. A Minnetonka volunteer firefighter is not a member of the public employees police and fire fund as a result of volunteer firefighter duties.

Subd. 2. [QUALIFICATION FOR CERTAIN PERSONS.] A person who is a Minnetonka volunteer firefighter may qualify as a "public employee" under section 353.01, subdivision 2, and may be a member of the public employees police and fire fund for compensation received from employment and activities other than volunteer firefighter duties.

Subd. 3. [REFUND.] A volunteer firefighter who is excluded from membership by subdivision 1 is entitled to a refund of member contributions to the public employees retirement association or the public employees police and fire fund based on compensation as a volunteer firefighter, plus interest at the rate of six percent a year, compounded annually, if the person or the city of Minnetonka demonstrates to the satisfaction of the executive director of the association the amount of contributions made by the person on behalf of service as a volunteer firefighter.

Sec. 7. [THIEF RIVER FALLS VOLUNTEER FIRE RELIEF ASSOCIATION; VALIDATION OF CERTAIN SERVICE PENSIONS.]

The payment of a service pension before January 1, 1988, by the Thief River Falls volunteer firefighters relief association to a person who terminated active service with the Thief River Falls fire department with at least 20 years of active service before attaining age 50 and who complies with all other conditions of the articles of incorporation or bylaws of the relief association are validated.

Sec. 8. [ST. PAUL TEACHERS RETIREMENT FUND ASSOCIATION FIVE-YEAR VESTING.]

In accordance with Minnesota Statutes, section 354A.12, subdivision 4, approval is granted for the St. Paul teachers retirement fund association to amend the bylaws of the association in effect on June 1, 1978, as amended, governing the benefits of the basic division of the association, article IV, section 3, paragraph 1, clauses (b), applicable to limited service pensions, and (d), applicable to deferred pensions, and article IV, section 3, paragraph 10, applicable to survivor benefits, by replacing the ten years of accredited service vesting requirement with a five years of accredited

service vesting requirement.

Sec. 9. [MINNEAPOLIS TEACHERS PARTICIPATING ANNUITY; EXTENSION TO CERTAIN RETIREES.]

In accordance with Minnesota Statutes, section 354A.12, subdivision 4, approval is granted for the Minneapolis teachers retirement fund association to amend its articles of incorporation to permit annual participating annuity adjustments under article IX, subsection (19), to be applied, effective January 1, 1989, to minimum normal retirement annuities payable to eligible recipients under article IX, subsection (14), as amended pursuant to Laws 1987, chapter 372, article 3, section 1, paragraph (f).

Sec. 10. [LOCAL APPROVAL.]

Sections 1 and 2 are effective upon approval by the Virginia city council and compliance with Minnesota Statutes, section 645.021.

Section 3 is effective upon approval by the Eveleth city council and compliance with Minnesota Statutes, section 645.021.

Section 4 is effective upon approval by the Fridley city council and compliance with Minnesota Statutes, section 645.021.

Section 5 is effective upon approval by the St. Paul city council and compliance with Minnesota Statutes, section 645.021, subdivision 3.

Section 6 is effective upon approval by the Minnetonka city council and compliance with Minnesota Statutes, section 645.021.

Section 7 is effective upon approval by the Thief River Falls city council and compliance with Minnesota Statutes, section 645.021.

Sections 8 and 9 are effective the day following final enactment.

ARTICLE 3

MINNESOTA PUBLIC PENSION PLAN

FIDUCIARY RESPONSIBILITY AND LIABILITY ACT

Section 1. [356A.01] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For purposes of this chapter, the following terms have the meanings given them in this section.

Subd. 2. [BENEFIT.] "Benefit" means an amount, other than an administrative expense, paid or payable from a pension plan, including a retirement annuity, service pension, disability benefit, survivor benefit, death benefit, funeral benefit, or refund.

Subd. 3. [BENEFIT PLAN.] "Benefit plan" means the portion of a pension plan that deals specifically with the benefit coverage provided by the plan, including the kinds of coverage, the eligibility for and entitlement to benefits, and the amount of benefits.

Subd. 4. [BENEFIT RECIPIENT.] "Benefit recipient" means a person who has received a benefit from a pension plan or to whom a benefit is payable under the terms of the plan document of the pension plan.

Subd. 5. [BUSINESS ENTITY.] "Business entity" means a corporation, business trust, trust, partnership, firm, group of two or more persons having a joint or common interest, or any other legal or commercial enterprise.

Subd. 6. [CHIEF ADMINISTRATIVE OFFICER.] "*Chief administrative officer*" means the person who has primary responsibility for the execution of the administrative or management affairs of a pension plan.

Subd. 7. [COFIDUCIARY.] "*Cofiduciary*" means a fiduciary of a pension plan, other than a fiduciary directly undertaking a fiduciary activity or directly and primarily responsible for a fiduciary activity, who serves in a position or exercises a function covered by section 2.

Subd. 8. [COVERED GOVERNMENTAL ENTITY.] "*Covered governmental entity*" means a governmental subdivision or other governmental entity that employs persons who are plan participants in a covered pension plan and who are eligible for that participation because of their employment.

Subd. 9. [COVERED PENSION PLAN.] "*Covered pension plan*" means a pension plan or fund listed in section 356.20, subdivision 2, or 356.30, subdivision 3, or any other retirement or pension plan or fund, including a supplemental retirement plan or fund, established, maintained, or supported by the state, a governmental subdivision, or another public body whose revenues are derived from taxes, fees, or other public sources.

Subd. 10. [DIRECT OR INDIRECT PROFIT.] "*Direct or indirect profit*" means a payment of money, the provision of a service or an item of other than nominal value, an extension of credit, a loan, or any other special consideration to a fiduciary or a direct relative of a fiduciary on behalf of the fiduciary in consideration for the performance of a fiduciary activity or a failure to perform a fiduciary activity.

Subd. 11. [DIRECT RELATIVE.] "*Direct relative*" means any of the persons or spouses of persons related to one another within the third degree of kindred under civil law.

Subd. 12. [EXERCISE OR PERFORMANCE.] "*Exercise or performance*" means the completion of an act or of a substantial step consistent with the eventual completion of an act, even if short of actual completion.

Subd. 13. [FIDUCIARY.] "*Fiduciary*" means a person described in section 2.

Subd. 14. [FIDUCIARY ACTIVITY.] "*Fiduciary activity*" means an activity described in section 2, subdivision 2.

Subd. 15. [FIDUCIARY POSITION.] "*Fiduciary position*" means a position listed in section 2, subdivision 3.

Subd. 16. [FINANCIAL INSTITUTION.] "*Financial institution*" means a bank, savings institution, or credit union organized under federal or state law.

Subd. 17. [GOVERNING BOARD OF A PENSION PLAN.] "*Governing board of a pension plan*" means the body of a pension plan that is assigned or that undertakes the chief policy-making powers and management duties of the plan.

Subd. 18. [LIABILITY.] "*Liability*" means a secured or unsecured debt or an obligation for a future payment of money, including an actuarial accrued liability or an unfunded actuarial accrued liability, except where the context clearly indicates another meaning.

Subd. 19. [LOCAL PENSION PLAN.] "*Local pension plan*" means a pension plan not included in the definition of a statewide plan in subdivision

26.

Subd. 20. [MODIFICATION IN BENEFIT PLAN.] "Modification in benefit plan" means a change in a benefit plan of a pension plan that results in an increase or decrease in benefit coverage provided to current or future plan participants or benefit recipients.

Subd. 21. [OFFICE OF THE PENSION PLAN.] "Office of the pension plan" means an administrative facility or portion of a facility where the primary business or administrative affairs of a pension plan are conducted and the primary and permanent records and files of the plan are retained.

Subd. 22. [PENSION FUND.] "Pension fund" means the assets amassed and held by a pension plan, other than the general fund, as reserves for present and future payment of benefits and administrative expenses.

Subd. 23. [PENSION PLAN.] "Pension plan" means all aspects of an arrangement between a public employer and its employees concerning the pension benefit coverage provided to the employees.

Subd. 24. [PLAN DOCUMENT.] "Plan document" means a written document or series of documents containing the eligibility requirements and entitlement provisions constituting the benefit coverage of a pension plan, including any articles of incorporation, bylaws, governing body rules and policies, municipal charter provisions, municipal ordinance provisions, or general or special state law.

Subd. 25. [PLAN PARTICIPANT.] "Plan participant" means a person who is an active member of a pension plan by virtue of the person's employment or who is making a pension plan member contribution.

Subd. 26. [STATEWIDE PLAN.] "Statewide plan" means any of the following pension plans:

(1) the Minnesota state retirement system or a pension plan administered by it;

(2) the public employees retirement association or a pension plan administered by it; and

(3) the teachers retirement association or a pension plan administered by it.

Sec. 2. [356A.02] [FIDUCIARY STATUS, ACTIVITIES, AND POSITIONS.]

Subdivision 1. [GENERAL RULE.] A person is a fiduciary if the person is in a fiduciary position and exercises discretion over a fiduciary activity in connection with a covered pension plan.

Subd. 2. [FIDUCIARY ACTIVITY.] Fiduciary activity includes, but is not limited to:

(1) the investment of plan assets;

(2) the determination of benefits;

(3) the determination of eligibility for membership or benefits;

(4) the determination of the amount or duration of benefits;

(5) the determination of funding requirements or the amounts of contributions;

- (6) the determination of actuarial assumptions;
- (7) the maintenance of membership or financial records; and
- (8) the direct or indirect expenditure of plan assets.

Subd. 3. [FIDUCIARY POSITION.] A person serves in a fiduciary position if the person is:

(1) a member of the governing board of a covered pension plan or of the state board of investment;

(2) an investment broker, investment advisor, investment manager, investment manager selection consultant, or investment performance evaluation consultant who provides services directly to a covered pension plan and is not an employee of the plan or of the state board of investment or a member of the investment advisory council of the state board of investment;

(3) an investment security custodian, depository, or nominee who provides services directly to a covered pension plan;

(4) an actuary, accountant, auditor, medical advisor, or legal counsel who provides services directly or indirectly to a covered pension plan and is not an employee of the plan or of the state board of investment; or

(5) the chief administrative officer of a covered pension plan or of the state board of investment.

Sec. 3. [356A.03] [PROHIBITION OF CERTAIN PERSONS FROM FIDUCIARY STATUS.]

Subdivision 1. [INDIVIDUAL PROHIBITION.] For the prohibition period established by subdivision 3, a person, other than a constitutional officer of the state, who has been convicted of a violation listed in subdivision 4 may not assume a fiduciary position, engage in a fiduciary activity, or accept a position that is connected with a covered pension plan, including that of employee, consultant, manager, or advisor.

Subd. 2. [BUSINESS PROHIBITION.] For the prohibition period established by subdivision 3, a business entity that is not a publicly held corporation and for which more than five percent of the equity or ownership interest is held by a person who, in an individual capacity, would be prohibited under subdivision 1 may not provide consulting, management, or advisory services to a covered pension plan.

Subd. 3. [PROHIBITION PERIOD.] A prohibition under subdivision 1 or 2 is for a period of five years, beginning on the day following conviction for a violation listed in subdivision 4 or, if the person convicted is incarcerated, the day following unconditional release from incarceration.

Subd. 4. [APPLICABLE VIOLATIONS.] A prohibition under subdivision 1 or 2 is imposed as a result of any of the following violations of law:

(1) a violation of federal law specified in United States Code, title 29, section 1111, as amended;

(2) a violation of Minnesota law that is a felony under Minnesota law; or

(3) a violation of the law of another state, United States territory or possession, or federally recognized Indian tribal government, or of the Uniform Code of Military Justice, that would be a felony under the offense definitions and sentences in Minnesota law.

Subd. 5. [DOCUMENTATION.] In determining the applicability of this section, the state board of investment or a public pension plan may rely on a disclosure form meeting the requirements of the federal Investment Adviser Act of 1940, as amended through the effective date of this section, and filed with the state board of investment or the pension plan.

Sec. 4. [356A.04] [GENERAL STANDARD OF FIDUCIARY CONDUCT.]

Subdivision 1. [DUTY.] A fiduciary of a covered pension plan, in performing a fiduciary duty or serving in a fiduciary position, owes a fiduciary duty to:

- (1) the state of Minnesota, which established the plan;*
- (2) the taxpayers of the state or political subdivision, who help to finance the plan; and*
- (3) the active, deferred, and retired members of the plan, who are its beneficiaries.*

Subd. 2. [PRUDENT PERSON STANDARD.] (a) A fiduciary shall act in good faith, shall exercise that degree of judgment and care, under the circumstances then prevailing, that persons of prudence, discretion, and intelligence would exercise in the management of their own affairs, and shall undertake steps reasonably calculated to gain and to retain the capacity to make informed fiduciary judgments and to undertake an informed exercise of fiduciary discretion.

(b) If a fiduciary activity involves the investment of plan assets, a fiduciary shall act for the purpose of investment, not for speculation, considering the probable safety of the plan capital as well as the probable investment return to be derived from the assets.

Sec. 5. [356A.05] [DUTIES APPLICABLE TO ALL ACTIVITIES.]

(a) A fiduciary activity of a covered pension plan must be carried out solely for the following purposes:

- (1) to provide authorized benefits to plan participants and beneficiaries;*
 - (2) to incur and pay reasonable and necessary administrative expenses;*
- or*
- (3) to manage a covered pension plan in accordance with the purposes and intent of the plan document.*
- (b) A fiduciary activity must be carried out faithfully, without prejudice, and in a manner consistent with law and the plan document.*

Sec. 6. [356A.06] [INVESTMENTS; ADDITIONAL DUTIES.]

Subdivision 1. [TITLE TO ASSETS.] Assets of a covered pension plan may be held only by the plan treasurer, the state board of investment, or the depository agent of the plan or of the state board of investment. Legal title to plan assets must be vested in the plan, the state board of investment, the governmental entity that sponsors the plan, or the nominee of the plan or the depository agent. The holder of legal title shall function as a trustee for a person or entity with a beneficial interest in the assets of the plan.

Subd. 2. [DIVERSIFICATION.] The investment of plan assets must be diversified to minimize the risk of substantial investment losses unless the circumstances at the time an investment is made clearly indicate that diversification would not be prudent.

Subd. 3. [ABSENCE OF PERSONAL PROFIT.] No fiduciary may personally profit, directly or indirectly, as a result of the investment or management of plan assets. This subdivision, however, does not preclude the receipt by a fiduciary of reasonable compensation, including membership in or the receipt of benefits from a pension plan, for the fiduciary's position with respect to the plan.

Subd. 4. [ECONOMIC INTEREST STATEMENT.] A member of the governing board of a covered pension plan and the chief administrative officer of the plan shall file with the plan a statement of economic interest. The statement must contain the information required by section 10A.09, subdivision 5, and any other information that the fiduciary or the governing board of the plan determines is necessary to disclose a reasonably foreseeable potential or actual conflict of interest. The statement must be filed annually with the chief administrative officer of the plan and be available for public inspection during regular office hours at the office of the pension plan. A disclosure form meeting the requirements of the federal Investment Adviser Act of 1940, as amended, and filed with the state board of investment or the pension plan meets the requirements of this subdivision.

Subd. 5. [INVESTMENT BUSINESS RECIPIENT DISCLOSURE.] The chief administrative officer of a covered pension plan, with respect to investments made by the plan, and the executive director of the state board of investment, with respect to investments of plan assets made by the board, shall annually disclose in writing the recipients of investment business placed with or investment commissions allocated among commercial banks, investment bankers, brokerage organizations, or other investment managers. The disclosure document must be prepared within 60 days after the close of the fiscal year of the plan and must be available for public inspection during regular office hours at the office of the plan. The disclosure document must also be filed with the executive director of the legislative commission on pensions and retirement within 90 days after the close of the fiscal year of the plan. For the state board of investment, a disclosure document included as part of a regular annual report of the board is considered to have been filed on a timely basis.

Subd. 6. [LIMITED LIST OF AUTHORIZED INVESTMENT SECURITIES.] (a) A covered pension plan may invest its assets only in investment securities authorized by this subdivision if the plan does not:

(1) have assets with a book value in excess of \$1,000,000;

(2) use the services of an investment advisor registered with the Securities and Exchange Commission in accordance with the federal Investment Advisors Act of 1940, United States Code, title 15, sections 80b-1 to 80b-21, as amended, or licensed as an investment advisor in accordance with sections 80A.04, subdivision 3, and 80A.14, subdivision 9, for the investment of at least 60 percent of its assets, calculated on book value;

(3) use the services of the state board of investment for the investment of at least 60 percent of its assets, calculated on book value; or

(4) use a combination of the services of an investment advisor meeting the requirements of clause (2) and the services of the state board of investment for the investment of at least 75 percent of its assets, calculated on book value.

(b) Investment securities authorized for a pension plan covered by this subdivision are:

(1) certificates of deposit issued, to the extent of available insurance or collateralization, by a financial institution that is a member of the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation, is insured by the National Credit Union Administration, or is authorized to do business in this state and has deposited with the chief administrative officer of the plan a sufficient amount of marketable securities as collateral in accordance with section 118.01;

(2) savings accounts, to the extent of available insurance, with a financial institution that is a member of the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation;

(3) governmental obligations, including bonds, notes, bills, or other fixed obligations, issued by the United States, an agency or instrumentality of the United States, an organization established and regulated by act of Congress or by a state, state agency or instrumentality, municipality, or other governmental or political subdivision that:

(i) for the obligation in question, issues an obligation that equals or exceeds the stated investment yield of debt securities not exempt from federal income taxation and of comparable quality; and

(ii) for an obligation that is a revenue bond, has been completely self-supporting for the last five years; or

(iii) for an obligation other than a revenue bond, has issued an obligation backed by the full faith and credit of the applicable taxing jurisdiction and has not been in default on the payment of principal or interest on the obligation in question or any other nonrevenue bond obligation during the preceding ten years;

(4) corporate obligations, including bonds, notes, debentures, or other regularly issued and readily marketable evidences of indebtedness issued by a corporation organized under the laws of any state that during the preceding five years has had on average annual net pretax earnings at least 50 percent greater than the annual interest charges and principal payments on the total issued debt of the corporation during that period and that, for the obligation in question, has issued an obligation rated in one of the top three quality categories by Moody's Investors Service, Incorporated, or Standard and Poor's Corporation; and

(5) shares in an open-end investment company registered under the federal Investment Company Act of 1940, if the portfolio investments of the company are limited to investments that meet the requirements of clauses (1) to (4).

Subd. 7. [EXPANDED LIST OF AUTHORIZED INVESTMENT SECURITIES.] A covered pension plan not described by subdivision 6, paragraph (a), may invest its assets only in investment securities authorized by section 11A.24.

Subd. 8. [MINIMUM LIQUIDITY REQUIREMENTS.] A covered pension plan described by subdivision 6, paragraph (a), shall invest a portion of its assets in authorized short-term debt obligations that can be immediately liquidated without accrual of a substantial determinable penalty or loss and that have an average maturity of no more than 90 days. The portion of assets to be invested in accordance with this subdivision must be an amount equal to the actual or potential benefits reasonably anticipated as payable over the succeeding two years to current benefit recipients

and to active members who are within two years of their normal retirement ages or, if they are older, of their assumed retirement age. The chief administrative officer of the plan shall determine the minimum liquidity requirement of the plan as of the first day of each quarter. Documentation of each quarterly determination must be retained in the permanent records of the plan for three years after the date of the documentation.

Subd. 9. [PROHIBITED TRANSACTIONS.] (a) No fiduciary or plan participant of a covered pension plan may engage in a prohibited transaction. No plan fiduciary may allow the plan to engage in a transaction that the fiduciary knows or should know is a prohibited transaction.

(b) A prohibited transaction is any of the following transactions, whether direct or indirect:

(1) the sale, exchange, or lease of real estate between the pension plan and a fiduciary of the plan;

(2) the lending of money or other extension of credit between the plan and a fiduciary of the plan or a plan participant;

(3) the furnishing to a plan by a fiduciary, for compensation or remuneration, of goods, services other than those performed in the capacity of fiduciary, or facilities;

(4) the furnishing to a fiduciary by a plan of goods, services, or facilities other than office and related space, office equipment and supplies, and administrative services appropriate to the recipient's fiduciary position;

(5) the transfer of plan assets to a plan fiduciary or participant for use by or the benefit of the fiduciary or participant, other than the payment of benefits to which a fiduciary or participant is entitled or the payment to a fiduciary of a reasonable salary and of necessary and reasonable expenses incurred by the fiduciary in the performance of fiduciary duties; and

(6) the sale, exchange, loan, or lease of any item of value between a plan and a fiduciary of the plan other than for a fair market value and as a result of an arms-length transaction.

Sec. 7. [356A.07] [BENEFIT COVERAGE; ADDITIONAL DUTIES.]

Subdivision 1. [BENEFIT PROVISIONS SUMMARY.] The chief administrative officer of a covered pension plan shall prepare and provide each plan participant and benefit recipient with a summary of the benefit provisions of the plan document. The summary must be provided within 30 days of the start or resumption of a participant's membership in the plan, or within 30 days of the date on which the start or resumption of membership was reported, whichever is later. The summary must contain a notice that it is a summary of the plan document but is not itself the plan document and that, in the event of a discrepancy between the summary and the plan document, the plan document governs. A copy of the plan document covering the plan must be furnished to a plan participant or benefit recipient upon request. Amendments to the plan document must be communicated to plan participants and benefit recipients in a manner specified by the governing body of the pension plan. The chief administrative officer may utilize the services of the covered governmental entity in providing the summary. The summary must be in a form reasonably calculated to be understood by an average plan participant or benefit recipient.

Subd. 2. [DISTRIBUTION.] A covered pension plan may distribute the summaries required by this section and section 8 through covered governmental entities so long as the plan has made arrangements with the entities to assure, with reasonable certainty, that the summaries will be distributed, or easily available, to plan participants.

Subd. 3. [REVIEW PROCEDURE.] If a review procedure is not specified by law for a covered pension plan, the chief administrative officer of the plan shall propose, and the governing board of the plan shall adopt and implement, a procedure for reviewing a board determination of eligibility, benefits, or other rights under the plan that is adverse to a plan participant or benefit recipient. A statewide plan for which a review procedure is not specified by law shall adopt a review procedure by rule. The review procedure may afford the plan participant or benefit recipient an opportunity to present views at any review proceeding conducted and may, but need not be, a contested case under chapter 14. The chief administrative officer of the plan shall prepare a summary of the review procedure. A copy of the summary must be furnished to a plan participant at the participant's request and must be included in the summary required by subdivision 1. The summary must be in a form reasonably calculated to be understood by an average plan participant or benefit recipient.

Sec. 8. [356A.08] [FUNDING; ADDITIONAL DUTIES.]

Subdivision 1. [DEFINED BENEFIT PLAN FUNDING PROCEDURE SUMMARY.] The chief administrative officer of a covered pension plan shall prepare a summary of the method used in funding the plan, the procedure for calculating the rate of funding, and the timing of the funding. The summary must be provided to each plan participant and benefit recipient along with the benefit summary required by section 7, subdivision 1, and may be combined with it.

Subd. 2. [ANNUAL FINANCIAL REPORT.] A covered pension plan shall provide each plan participant and benefit recipient with a copy of the most recent annual financial report required by section 356.20 and a copy of the most recent actuarial valuation, if any, required by section 69.77, 69.773, 356.215, or 356.216, or a synopsis of those reports.

Sec. 9. [356A.09] [PLAN ADMINISTRATION; ADDITIONAL DUTIES.]

Subdivision 1. [PUBLIC MEETINGS.] A meeting of the governing board of a covered pension plan or of a committee of the plan is governed by section 471.705.

Subd. 2. [LIMIT ON COMPENSATION.] No fiduciary of a covered pension plan or a direct relative of a fiduciary may receive any direct or indirect compensation, fee, or other item of more than nominal value from a third party in consideration for a pension plan disbursement.

Sec. 10. [356A.10] [FIDUCIARY BREACH.]

Subdivision 1. [OCCURRENCE OF BREACH.] A fiduciary breach occurs if a fiduciary of a covered pension plan engaging in a fiduciary activity is directly responsible for a violation of the general standard of fiduciary conduct with respect to a specific fiduciary duty or any other fiduciary activity.

Subd. 2. [INTENTIONAL AND UNINTENTIONAL BREACH.] (a) An intentional fiduciary breach is a breach that is the result of bad intent and that is willful, deliberate, or the product of gross negligence.

(b) *An unintentional fiduciary breach is a breach that results from negligence.*

Sec. 11. [356A.11] [FIDUCIARY LIABILITY.]

Subdivision 1. [AVAILABLE REMEDIES.] Remedies potentially available for a fiduciary breach by a fiduciary of a covered pension plan are compensatory damages or equitable remedies.

Subd. 2. [COMPENSATORY DAMAGES.] A fiduciary other than a public employee who serves as legal counsel to a covered pension plan or the state board of investment is personally liable to restore the monetary amount of a loss incurred or to turn over a profit earned as a result of an intentional breach of the fiduciary's duty. Liability for compensatory damages is to the plan that has suffered the loss or was entitled to the assets used to make the profit, and may be joint and several. Damages must be based on the measurable amount of any monetary loss or profit or, if the amount is not measurable or readily determinable, the liability that would be imposed by the court in a substantially equivalent tort action. Compensatory damages are subject to the limits imposed by section 14, subdivision 6.

Subd. 3. [EQUITABLE REMEDIES.] In addition to or instead of awarding compensatory damages, the district court may determine equitable remedies as would be appropriate.

Sec. 12. [356A.12] [COFIDUCIARY RESPONSIBILITY AND LIABILITY.]

Subdivision 1. [COFIDUCIARY RESPONSIBILITY IN GENERAL.] A cofiduciary has a general responsibility to oversee the fiduciary activities of all other fiduciaries unless the activity has been allocated or delegated in accordance with subdivision 3. A cofiduciary also has a general responsibility to correct or alleviate a fiduciary breach of which the cofiduciary had or ought to have had knowledge.

Subd. 2. [COFIDUCIARY LIABILITY.] A cofiduciary is liable for a fiduciary breach committed by another fiduciary when the cofiduciary has a responsibility to oversee the fiduciary activities of the other fiduciary or to correct or alleviate a breach by that fiduciary.

Subd. 3. [LIMITATION ON COFIDUCIARY RESPONSIBILITY.] A cofiduciary may limit cofiduciary responsibility and liability through the allocation or delegation of fiduciary activities if the allocation or delegation:

- (1) follows appropriate procedures;*
- (2) is made to an appropriate person or to appropriate persons; and*
- (3) is subject to continued monitoring of performance.*

Subd. 4. [BAR TO LIABILITY IN CERTAIN INSTANCES.] A properly made delegation or allocation of a fiduciary activity is a bar to liability on the part of a fiduciary making the delegation or allocation unless the fiduciary has or ought to have knowledge of the breach and takes part in the breach, conceals it, or fails to take reasonable steps to remedy it.

Subd. 5. [EXTENT OF COFIDUCIARY LIABILITY.] (a) Unless liability is barred under subdivision 4, a cofiduciary is jointly and severally liable with a responsible fiduciary for compensatory damages, but has the right to recover from the responsible fiduciary any compensatory damages paid

by the cofiduciary.

(b) If a cofiduciary had or ought to have had knowledge of a fiduciary breach and took part in the breach, concealed the breach, or failed to take reasonable steps to remedy it, the cofiduciary may be subject to any equitable remedies imposed on the responsible fiduciary.

Sec. 13. [356A.13] [FIDUCIARY INDEMNIFICATION.]

Subdivision 1. [GENERAL PROHIBITION OF INDEMNIFICATION.] Except as provided in subdivision 2, an arrangement or plan provision that would exculpate or indemnify a fiduciary of a covered pension plan, or otherwise relieve the fiduciary of liability for a fiduciary breach, is prohibited as contrary to public policy.

Subd. 2. [INDEMNIFIED FIDUCIARIES.] A fiduciary who is a member of the governing board of a pension plan, an employee of a covered pension plan or of the state board of investments, or an attorney who provides legal advice to a covered pension plan or to the state board of investments in the capacity of an employee of the state or of a governmental subdivision may at the discretion of the governing board of the plan or of the state board of investments be indemnified from liability for an unintentional fiduciary breach. A board decision to indemnify a fiduciary must apply to all eligible fiduciaries of similar rank and must be prospective.

Subd. 3. [ALLOWABLE INDEMNIFICATION.] An indemnified fiduciary of a covered pension plan must be held harmless from reasonable costs or expenses incurred as a result of any actual or threatened litigation or other proceedings arising from the good-faith performance of fiduciary duties.

Sec. 14. [356A.14] [LEGAL CHALLENGES TO FIDUCIARY ACTIONS.]

Subdivision 1. [JURISDICTION.] The district court has jurisdiction over a challenge of a fiduciary action or inaction.

Subd. 2. [VENUE.] (a) Venue for a legal action challenging a fiduciary action or inaction of a statewide plan is Ramsey county.

(b) Venue for a legal action challenging a fiduciary action or inaction of a covered pension plan other than a statewide plan is the county in which the governmental entity that established and maintains the plan is located or predominantly located.

Subd. 3. [SERVICE OF PROCESS.] (a) For a fiduciary alleged in the complaint to be wholly or primarily responsible for an alleged breach, personal service of process must be obtained.

(b) For a fiduciary alleged in the complaint to have, or who may have, cofiduciary responsibility and liability, service of process may be obtained by certified or registered mail on the chief administrative officer of the pension plan on behalf of the fiduciary. The chief administrative officer, within ten days of service, shall provide written notice of the legal action to all affected fiduciaries who were not personally served.

Subd. 4. [STANDING.] (a) The following persons and no others have standing to bring a legal action challenging a fiduciary action or inaction:

- (1) a fiduciary of the plan;
- (2) for a statewide plan, the Ramsey county attorney;

(3) for a plan other than a statewide plan, the attorney general or the county attorney of the county in which the governmental entity that established and maintains the plan is located or predominantly located; and

(4) the commissioner of finance.

(b) The legislative auditor shall investigate an alleged fiduciary breach at the request, by majority vote, of the senate finance committee, the house of representatives appropriations committee, the governmental operations committees of both houses, or the legislative commission on pensions and retirement. The legislative auditor shall file a report of an investigation with the appropriate county attorney. Upon receiving the report, the county attorney shall take whatever legal action the attorney deems appropriate to remedy a fiduciary breach substantiated by the report.

Subd. 5. [LIMITATIONS ON LEGAL ACTIONS.] A legal action challenging a fiduciary action or inaction must be timely. Notwithstanding any limitation in chapter 541, an action is timely if it is brought within the earlier of the following periods:

(1) the period ending three years after the date of the last demonstrable act representing the alleged fiduciary breach or after the final date for performance of the act the failure to perform which constitutes the alleged breach; or

(2) the period ending one year after the date of the discovery of the alleged fiduciary breach.

Subd. 6. [LIMITATION ON FIDUCIARY DAMAGES.] (a) For a legal action challenging an alleged fiduciary breach other than one involving theft, embezzlement, or other conversion of money or property, compensatory damages may not exceed \$250,000 for an individual who is a prevailing party or \$1,000,000 for a covered pension plan that is a prevailing party or on behalf of which a legal action was brought.

(b) For a legal action challenging a fiduciary breach involving theft, embezzlement, or other conversion of money or property, compensatory damages may not exceed the greater of the amounts specified in paragraph (a) or the amount of money or value of the property stolen, embezzled, or otherwise converted.

(c) Costs and reasonable attorney fees may be awarded to a prevailing party, to be paid by a nonprevailing party, for all or part of a legal action challenging a fiduciary breach.

Subd. 7. [OTHER RIGHTS PRESERVED.] Nothing in this section abrogates or limits a person's right to bring an action under other statutory or common law.

Sec. 15. [356A.15] [CONTINUING FIDUCIARY EDUCATION.]

Subdivision 1. [OBLIGATION OF FIDUCIARIES.] A fiduciary of a covered pension plan shall make all reasonable efforts to obtain knowledge and skills sufficient to enable the fiduciary to perform fiduciary duties adequately. At a minimum, the fiduciary shall comply with the program established in accordance with subdivision 2.

Subd. 2. [CONTINUING FIDUCIARY EDUCATION PROGRAM.] The governing board of each covered pension plan shall develop, monitor, and periodically revise a program for the continuing education of members of its governing board and of its fiduciary employees who are not reasonably

considered to be expert in fiduciary activities. The program must be designed to provide those persons with knowledge and skills sufficient to enable them to perform fiduciary duties adequately. By January 1 of each year, a statewide plan must file the program and revisions of the program with the executive director of the legislative commission on pensions and retirement, and a local pension plan must file the program and revisions of the program with the state auditor.

Sec. 16. [EFFECTIVE DATE.]

Sections 1 to 15 are effective the day following final enactment.

ARTICLE 4

CONFORMING AMENDMENTS TO FIDUCIARY PROVISIONS

Section 1. [3A.011] [ADMINISTRATION OF PLAN.]

The Minnesota state retirement system shall administer the legislators retirement plan in accordance with article 3.

Sec. 2. Minnesota Statutes 1986, section 11A.01, is amended to read:

11A.01 [STATEMENT OF PURPOSE.]

The purpose of ~~sections 11A.01 to 11A.25~~ *this chapter* is to establish standards ~~which will~~, *in addition to the applicable standards of article 3,* to insure that state and pension assets subject to this legislation will be responsibly invested to maximize the total rate of return without incurring undue risk.

Sec. 3. Minnesota Statutes 1987 Supplement, section 11A.04, is amended to read:

11A.04 [DUTIES AND POWERS.]

The state board shall:

(1) Act as trustees for each fund for which it invests or manages money in accordance with the standard of care set forth in section 11A.09 *if state assets are involved or in accordance with article 3 if pension assets are involved.*

(2) Formulate policies and procedures deemed necessary and appropriate to carry out its functions. Procedures adopted by the board ~~shall~~ *must* allow fund beneficiaries and members of the public to become informed of proposed board actions. Procedures and policies of the board ~~shall~~ *are not be* subject to the administrative procedure act.

(3) Employ an executive director as provided in section 11A.07.

(4) Employ investment advisors and consultants as it deems necessary.

(5) Prescribe policies concerning personal investments of all employees of the board to prevent conflicts of interest.

(6) Maintain a record of its proceedings.

(7) As it deems necessary, establish advisory committees subject to ~~the provisions of~~ section 15.059 to assist the board in carrying out its duties.

(8) Not permit state funds to be used for the underwriting or direct purchase of municipal securities from the issuer or the issuer's agent.

(9) Direct the state treasurer to sell property other than money ~~which~~

that has escheated to the state when the board determines that sale of the property is in the best interest of the state. Escheated property ~~shall~~ *must* be sold to the highest bidder in the manner and upon terms and conditions prescribed by the board.

(10) Undertake any other activities necessary to implement the duties and powers set forth in this section.

(11) Establish a formula or formulas to measure management performance and return on investment. ~~All~~ Public pension funds in the state shall utilize the formula or formulas developed by the state board.

(12) Except as otherwise provided in article XI, section 8, of the constitution of the state of Minnesota, employ, at its discretion, qualified private firms to invest and manage the assets of funds over which the state board has investment management responsibility. There is annually appropriated to the state board, from the assets of the funds for which the state board utilizes a private investment manager, sums sufficient to pay the costs ~~therefor~~ *of employing private firms*. Each year, by January 15, the board shall report to the governor and legislature on the cost and the investment performance of each investment manager employed by the board.

(13) Adopt an investment policy statement that includes investment objectives, asset allocation, and the investment management structure for the retirement fund assets under its control. The statement may be revised at the discretion of the state board. The state board shall seek the advice of the council regarding its investment policy statement. Adoption of the statement is not subject to chapter 14.

Sec. 4. Minnesota Statutes 1986, section 11A.07, subdivision 4, is amended to read:

Subd. 4. [DUTIES AND POWERS.] The director, at the direction of the state board, shall:

(1) Plan, direct, coordinate and execute administrative and investment functions in conformity with the policies and directives of the state board *and the requirements of this chapter and of article 3*.

(2) Employ ~~such~~ professional and clerical staff as is necessary within the complement limits established by the legislature. Employees whose primary responsibility is to invest or manage money or employees who hold positions designated as unclassified ~~pursuant to~~ *under* section 43A.08, subdivision 1a ~~shall be~~, *are* in the unclassified service of the state. Other employees ~~shall be~~ *are* in the classified service.

(3) Report to the state board on all operations under the director's control and supervision.

(4) Maintain accurate and complete records of securities transactions and official activities.

(5) Establish a policy relating to the purchase and sale of ~~all~~ securities on the basis of competitive offerings or bids. The policy is subject to board approval.

(6) Cause ~~all~~ securities acquired to be kept in the custody of the state treasurer or ~~such~~ other depositories *consistent with article 3*, as the state board deems appropriate.

(7) Prepare and file with the director of the legislative reference library

on or before, by December 31 of each year, a report summarizing the activities of the state board, the council, and the director during the preceding fiscal year. The report shall *must* be prepared so as to provide the legislature and the people of the state with a clear, comprehensive summary of the portfolio composition, the transactions, the total annual rate of return, and the yield to the state treasury and to each of the funds whose assets are invested by the state board, and the recipients of business placed or commissions allocated among the various commercial banks, investment bankers, and brokerage organizations. ~~This~~ *The* report shall *must* contain financial statements for funds managed by the board prepared in accordance with generally accepted accounting principles.

(8) Require state officials from any department or agency to produce and provide access to any financial documents the state board deems necessary in the conduct of ~~their~~ *its* investment activities.

(9) Receive and expend legislative appropriations.

(10) Undertake any other activities necessary to implement the duties and powers set forth in this subdivision *consistent with article 3*.

Sec. 5. Minnesota Statutes 1986, section 11A.08, subdivision 6, is amended to read:

Subd. 6. [CONFLICT OF INTEREST; ECONOMIC INTEREST STATEMENT.] No member of the council may participate in deliberations or vote on any matter before the council which *violates article 3 or which will or is likely to result in direct, measurable economic gain to the member.* Additionally, no member of the council appointed by the state board may participate in deliberations or vote on any matter before the council which will or is likely to result in direct, measurable economic gain to that member's employer. Members of the council shall file with the board of ethical practices an economic interest statement in a manner as prescribed by section 10A.09, subdivisions 5 and 6.

Sec. 6. Minnesota Statutes 1986, section 11A.09, is amended to read:

11A.09 [STANDARD OF CARE.]

In the discharge of their respective duties, the members of the state board, director, board staff, *and members of the council and any other person charged with the responsibility of investing money pursuant to the standards set forth in sections 11A.01 to 11A.25, for the investment of funds other than pension fund assets,* shall act in good faith and shall exercise that degree of judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived therefrom *and, for the investment of pension fund assets, shall act in accordance with article 3.*

Sec. 7. Minnesota Statutes 1986, section 11A.13, subdivision 1, is amended to read:

Subdivision 1. [LEGAL TITLE TO FUND ASSETS.] Legal title to the assets of state funds to be invested by the state board shall *must* be in the state of Minnesota, or its nominees. Legal title to pension funds to be invested by the state board shall *must* be in the state board, or its nominees, as trustees for any person having a beneficial interest in the applicable

fund subject to the rights of the particular funds maintaining shares, investment participation or units in the accounts to their credit as specified in article 3, section 6.

Sec. 8. Minnesota Statutes 1986, section 69.30, is amended to read:

69.30 [OFFICERS, DUTIES, BONDS.]

Subdivision 1. [RELIEF ASSOCIATION OFFICERS.] The officers of a relief association shall be are a president, one or more vice-presidents, a secretary, and a treasurer. The offices of assistant secretary and assistant treasurer may be created by the bylaws of any such association.

Subd. 2. [RELIEF ASSOCIATION MANAGEMENT.] The affairs of such the association shall must be managed by a board of trustees elected in the manner prescribed by the articles of incorporation of the association and in accordance with article 3.

Subd. 3. [BONDING.] The secretary and the treasurer of each such relief association shall each furnish a corporate bond to the association for the faithful performance of duties in such an amount as the association from time to time may determine. Each relief association shall, and it is hereby authorized to, pay the premiums on these bonds from its general fund.

Sec. 9. Minnesota Statutes 1986, section 69.77, subdivision 2g, is amended to read:

Subd. 2g. [INVESTMENT OF RELIEF ASSOCIATION FUNDS.] The funds of the association shall must be invested in securities which that are proper authorized investments pursuant to under article 3, section 11A.24. Notwithstanding the foregoing, up to 75 percent of the market value of the assets of the fund may be invested in open-end investment companies registered under the federal Investment Company Act of 1940, if the portfolio investments of the investment companies comply with the type of securities authorized for investment by section 11A.24, subdivisions 2 to 5 6, subdivision 6 or 7. Securities held by the association before March 20, 1986, which the effective date of this section that do not meet the requirements of this paragraph subdivision may be retained after that date if they were proper investments for the association on that date.

The governing board of the association may select and appoint investment agencies to act for and in its behalf or may certify funds for investment by the state board of investment under the provisions of section 11A.17. The governing board of the association may select and appoint a qualified private firm to measure management performance and return on investment, and the firm shall use the formula or formulas developed by the state board pursuant to under section 11A.04, clause (11).

Sec. 10. Minnesota Statutes 1986, section 69.775, is amended to read:

69.775 [INVESTMENTS.]

The special fund assets of the relief associations governed by sections 69.771 to 69.776 shall must be invested in securities which that are proper authorized investments pursuant to under article 3, section 11A.24. Notwithstanding the foregoing, up to 75 percent of the market value of the assets of the fund may be invested in open-end investment companies registered under the federal Investment Company Act of 1940, if the portfolio investments of the investment companies comply with the type of securities authorized for investment by section 11A.24, subdivisions 2 to

§ 6, subdivision 6 or 7. Securities held by the associations before ~~March 20, 1986, which the effective date of this section~~ that do not meet the requirements of this section may be retained after that date if they were proper investments for the association on that date. The governing board of the association may select and appoint investment agencies to act for and in its behalf or may certify funds for investment by the state board of investment under ~~the provisions of~~ section 11A.17. *The governing board of the association may select and appoint a qualified private firm to measure management performance and return on investment, and the firm shall use the formula or formulas developed by the state board under section 11A.04, clause (1).*

Sec. 11. Minnesota Statutes 1986, section 136.80, subdivision 1, is amended to read:

Subdivision 1. A supplemental retirement plan for personnel employed by the state university board and the state board for community colleges who are in the unclassified service of the state commencing July 1 following the completion of the second year of their full time contract is ~~hereby established and shall be. The supplemental retirement plan is governed pursuant to~~ by sections 136.81 to ~~136.85~~ 136.87 and must be administered by the teachers retirement association in accordance with article 3. ~~Any~~ An unclassified employee who is employed by the state university board or the state board for community colleges in subsidized on-the-job training, work experience, or public service employment as an enrollee under the federal comprehensive employment and training act ~~shall~~ may not be included in the supplemental retirement plan provided for in sections 136.81 to ~~136.85 from and~~ 136.87 after March 30, 1978, unless the unclassified employee has as of the later of March 30, 1978, or the date of employment sufficient service credit in the retirement fund providing primary retirement coverage to meet the minimum vesting requirements for a deferred retirement annuity, or the board agrees in writing to make the employer contribution required by section 136.81 on account of ~~that~~ the unclassified employee from revenue sources other than funds provided under the federal comprehensive employment and training act, or the unclassified employee agrees in writing to make the employer contribution required by section 136.81 in addition to the member contribution.

Sec. 12. Minnesota Statutes 1986, section 136.84, is amended to read:
136.84 [TITLE TO ASSETS, PERSONAL RIGHTS.]

The right of a person who has shares to the credit of the person's employee's share account record to redeem the shares or any portion thereof of the shares is a personal right only and ~~shall is not be~~ assignable. Legal title to the assets of the supplemental retirement investment fund ~~shall be in the state of Minnesota or the state board of investment or the nominee of either is as specified in article 3, section 6, subdivision 1,~~ subject to the rights of the teachers retirement fund. ~~Any~~ An assignment or attempted assignment of shares to the credit of an employee's share account record by any person is null and void. Such Shares are exempt from garnishment or levy under attachment or execution and from all taxation by the state of Minnesota, ~~except that none shall be but are not~~ exempt from taxation under chapter 291, unless transferred to a surviving spouse or minor or dependent child of the decedent or a trust for their benefit.

Sec. 13. Minnesota Statutes 1987 Supplement, section 352.03, subdivision 1, is amended to read:

Subdivision 1. [MEMBERSHIP OF BOARD; ELECTION; TERM.] (a) The policy-making function of the system is vested in a board of 11 members, ~~who shall be~~ known as the board of directors.

(b) ~~This~~ The board ~~shall consist~~ consists of three members appointed by the governor, one of whom must be a constitutional officer or appointed state official and two of whom must be public members knowledgeable in pension matters, four state employees elected by state employees covered by the system excluding employees in categories specifically authorized to designate or elect a member by this subdivision, one employee of the transit operating division of the metropolitan transit commission designated by the executive committee of the labor organization that is the exclusive bargaining agent representing employees of the transit division, one member of the state patrol retirement fund elected by members of that fund at a time and in a manner fixed by the board, one employee covered by the correctional employees plan elected by employees covered by that plan, and one retired employee elected by retired employees at a time and in a manner to be fixed by the board. Two state employee members, whose terms of office begin on the first Monday in March after their election, must be elected biennially. Elected members and the appointed transit operating division member hold office for a term of four years, except the retired member, whose term is two years, and until their successors are elected or appointed, and have qualified. A state employee on leave of absence is not eligible for election or reelection to membership on the board of directors. The term of any board member who is on leave for more than six months automatically ends on expiration of this period.

(c) *The board shall act in accordance with article 3.*

Sec. 14. Minnesota Statutes 1987 Supplement, section 352.03, subdivision 4, is amended to read:

Subd. 4. [DUTIES AND POWERS OF BOARD OF DIRECTORS.] The board shall:

- (1) elect a chair;
- (2) appoint an executive director;
- (3) establish rules to administer this chapter and chapters 3A, 352B, 352C, 352D, and 490 *and article 3* and transact the business of the system, subject to the limitations of law;
- (4) consider and dispose of, or take any other action the board of directors deems appropriate concerning denials of applications for annuities or disability benefits under this chapter, and complaints of employees and others pertaining to the retirement of employees and the operation of the system; and
- (5) advise the director on any matters relating to the system and carrying out functions and purposes of this chapter. The board's advice shall control.

The director and assistant director ~~must be~~ *are* in the unclassified service, but appointees may be selected from civil service lists if desired. The salary of the executive director ~~must be~~ *is* as provided by section 15A.081, subdivision 1. The salary of the assistant director must be set in accordance with section 43A.18, subdivision 3.

Sec. 15. Minnesota Statutes 1987 Supplement, section 352.03, subdivision 6, is amended to read:

Subd. 6. [DUTIES AND POWERS OF EXECUTIVE DIRECTOR.] The management of the system is vested in the director, who is the executive and administrative head of the system. The director shall be advisor to the board on matters pertaining to the system and shall also act as the secretary of the board. The director shall:

- (1) attend meetings of the board;
- (2) prepare and recommend to the board appropriate rules to carry out this chapter;
- (3) establish and maintain an adequate system of records and accounts following recognized accounting principles and controls;
- (4) designate an assistant director with the approval of the board;
- (5) appoint any employees, both permanent and temporary, that are necessary to carry out the provisions of this chapter *and chapters 3A, 352B, 352C, 352D, and 490*;
- (6) organize the work of the system as the director deems necessary to fulfill the functions of the system, and define the duties of its employees and delegate to them any powers or duties, subject to the control of the director and under conditions the director may prescribe *and so long as appointments to exercise delegated power must be are by written order and shall be are filed with the secretary of state*;
- (7) with the advice and consent of the board, contract for the services of an approved actuary, professional management services, and any other consulting services as necessary and fix the compensation for those services. ~~The contracts are not subject to competitive bidding under chapter 16B. Any approved actuary retained by the executive director shall function as the actuarial advisor of the board and the executive director, and may perform actuarial valuations and experience studies to supplement those performed by the actuary retained by the legislative commission on pensions and retirement. Any supplemental actuarial valuations or experience studies shall be filed with the executive director of the legislative commission on pensions and retirement. Professional management services may not be contracted for more often than once in six years. Copies of professional management survey reports must be transmitted to the secretary of the senate, the chief clerk of the house of representatives, and the legislative reference library as provided by section 3-195, to the executive director of the commission, and to the legislative auditor at the time as reports are furnished to the board. Only management firms experienced in conducting management surveys of federal, state, or local public retirement systems are qualified to contract with the director;~~
- (8) with the advice and consent of the board provide in-service training for the employees of the system;
- (9) make refunds of accumulated contributions to former state employees and to the designated beneficiary, surviving spouse, legal representative, or next of kin of deceased state employees or deceased former state employees, as provided in this chapter *or chapter 3A, 352B, 352C, 352D, or 490*;
- (10) determine the amount of the annuities and disability benefits of employees covered by the system and authorize payment of the annuities and benefits beginning as of the dates on which the annuities and benefits begin to accrue, in accordance with the provisions of this chapter *or chapter 3A, 352B, 352C, 352D, or 490*;

(11) pay annuities, refunds, survivor benefits, salaries, and necessary operating expenses of the system;

(12) certify funds available for investment to the state board of investment;

(13) with the advice and approval of the board request the state board of investment to sell securities when the director determines that funds are needed for the system;

(14) prepare and submit to the board and the legislature an annual financial report covering the operation of the system, as required by section 356.20;

(15) prepare and submit biennial and quarterly budgets to the board and with the approval of the board submit the budgets to the department of finance; and

(16) with the approval of the board, perform other duties required to administer the retirement and other provisions of this chapter and to do its business.

Contracts are not subject to competitive bidding under chapter 16B. An approved actuary retained by the executive director shall function as the actuarial advisor of the board and the executive director, and may perform actuarial valuations and experience studies to supplement those performed by the actuary retained by the legislative commission on pensions and retirement. Any supplemental actuarial valuations or experience studies must be filed with the executive director of the legislative commission on pensions and retirement. Professional management services may not be contracted for more often than once in six years. Copies of professional management survey reports must be transmitted to the secretary of the senate, the chief clerk of the house of representatives, the legislative reference library as provided by section 3.195, the executive director of the commission, and the legislative auditor at the same time as reports are furnished to the board. Only management firms experienced in conducting management surveys of federal, state, or local public retirement systems are qualified to contract with the director.

Sec. 16. Minnesota Statutes 1987 Supplement, section 352.03, subdivision 7, is amended to read:

Subd. 7. [DIRECTORS' FIDUCIARY OBLIGATION.] The board and, the director, and any other fiduciary of the Minnesota state retirement system shall administer the law faithfully without prejudice and undertake their activities consistent with the expressed intent of the legislature. They shall act in their respective capacities with a fiduciary obligation to the state of Minnesota which created the fund, the taxpayers who aid in financing it, and the state employees who are its beneficiaries article 3.

Sec. 17. Minnesota Statutes 1987 Supplement, section 352.03, subdivision 11, is amended to read:

Subd. 11. [LEGAL ADVISER, ATTORNEY GENERAL.] The attorney general shall be is the legal adviser of the board and of the director. The board may sue or be sued in the name of the board of directors of the system. In actions brought by it or against it, the board shall must be represented by the attorney general. Venue of actions shall be in the Ramsey county district court is as provided in article 3, section 14, subdivision 2.

Sec. 18. Minnesota Statutes 1987 Supplement, section 352.05, is amended

to read:

352.05 [STATE TREASURER TO BE TREASURER OF SYSTEM.]

The state treasurer is ex officio treasurer of the retirement funds of the system. The general bond to the state shall ~~must~~ cover all liability for actions as treasurer of these funds, *including liability imposed by article 3*. Funds of the system received by the treasurer must be set aside in the state treasury to the credit of the proper fund. The treasurer shall deliver to the director copies of all payroll abstracts of the state together with the commissioner of finance's warrants covering the deductions made on these payroll abstracts for the retirement fund. The director shall have a list made of the commissioner of finance's warrants. These warrants must then be deposited with the state treasurer to be credited to the retirement fund. The treasurer shall pay out of this fund only on warrants issued by the commissioner of finance, upon abstracts signed by the director, or by the finance officer designated by the director during the disability or the absence of the director from the city of St. Paul, Minnesota. Abstracts for investments may be signed by the executive director of the state board of investment.

Sec. 19. Minnesota Statutes 1987 Supplement, section 352.92, is amended by adding a subdivision to read:

Subd. 3. [PLAN ADMINISTRATION.] The Minnesota state retirement system shall administer the correctional employees retirement plan established by sections 352.90 to 352.951 in accordance with this chapter and chapter 356 and article 3.

Sec. 20. Minnesota Statutes 1987 Supplement, section 352.96, subdivision 3, is amended to read:

Subd. 3. [EXECUTIVE DIRECTOR TO ADMINISTER SECTION.] This section shall must be administered by the executive director of the system under subdivision 4. Fiduciary activities of the deferred compensation plan must be undertaken in a manner consistent with article 3. If the state board of investment so elects, it may solicit bids for options under subdivision 2, clauses (2) and (3). All contracts must be approved before execution by the state board of investment. Contracts must provide that all options in subdivision 2 must: be presented in an unbiased manner, be presented and in a manner conforming that conforms to applicable rules adopted by the executive director, be reported on a periodic basis to all employees participating in the deferred compensation program, and not be the subject of unreasonable solicitation of state employees to participate in the program. The contract may not call for any person to jeopardize the tax-deferred status of money invested by state employees under this section. All costs or fees in relation to the options provided under subdivision 2, clause (3), must be paid by the underwriting companies ultimately selected by the state board of investment.

Sec. 21. Minnesota Statutes 1987 Supplement, section 352B.03, subdivision 1, is amended to read:

Subdivision 1. [OFFICERS.] The policy-making, management, and administrative functions governing the operation of the state patrol retirement fund are vested in the board of directors and executive director of the Minnesota state retirement system with duties, authority, and responsibility as provided in chapter 352. Fiduciary activities of the fund must be undertaken in a manner consistent with article 3.

Sec. 22. Minnesota Statutes 1987 Supplement, section 352B.07, is amended to read:

352B.07 [ACTIONS BY OR AGAINST.]

The board may sue or be sued in the name of the board of directors of the state retirement system. In all actions brought by or against it, the board shall *must* be represented by the attorney general. The attorney general shall also be the legal adviser for the board. Venue of all actions is ~~in the Ramsey county district court~~ *as provided in article 3, section 14, subdivision 2.*

Sec. 23. Minnesota Statutes 1986, section 352C.091, subdivision 1, is amended to read:

352C.091 [ADMINISTRATION.]

Subdivision 1. [ADMINISTRATIVE AGENCY AND STANDARDS.] ~~The provisions of This chapter shall~~ *must* be administered by the Minnesota state retirement system. *The elected state officers retirement plan must be administered consistent with this chapter and chapter 356 and article 3.*

Sec. 24. Minnesota Statutes 1986, section 352D.09, subdivision 1, is amended to read:

Subdivision 1. [ADMINISTRATIVE AGENCY AND STANDARDS.] The unclassified employees retirement plan and the provisions of this chapter shall *must* be administered by the Minnesota state retirement system. The provisions of chapter 352 shall govern in all instances where not inconsistent with the provisions of this chapter. *Fiduciary activities of the unclassified employees retirement plan must be undertaken in a manner consistent with article 3.*

Sec. 25. Minnesota Statutes 1986, section 353.03, subdivision 1, is amended to read:

Subdivision 1. [MANAGEMENT; COMPOSITION; ELECTION.] The management of the public employees retirement fund is vested in a board of trustees consisting of the state auditor and eight members. The governor shall appoint five trustees to four-year terms, one of whom shall be designated to represent school boards, one to represent cities, one to represent counties, one who shall ~~be~~ *is* a retired annuitant, and one who is a public member knowledgeable in pension matters. The membership of the association shall elect three trustees for terms of four years. Trustees elected by the membership of the association shall be public employees and members of the association. For seven days beginning November 1 of each year preceding a year in which an election is held, the association shall accept at its office filings in person or by mail of candidates for the board of trustees. A candidate shall submit at the time of filing a nominating petition signed by 25 or more members of the fund. No name may be withdrawn from nomination by the nominee after November 15. At the request of a candidate for an elected position on the board of trustees, the board shall mail a statement of up to 300 words prepared by the candidate to all persons eligible to vote in the election of the candidate. The board may adopt policies to govern form and length of these statements, timing of mailings, and deadlines for submitting materials to be mailed. These policies must be approved by the secretary of state. Disputes between the board and a candidate concerning application of these policies to a particular statement shall *must* be resolved by the secretary of state. A candidate who:

(a) (1) receives contributions or makes expenditures in excess of \$100; or

(b) (2) has given implicit or explicit consent for any other person to receive contributions or make expenditures in excess of \$100;

for the purpose of bringing about the candidate's election, ~~must shall~~ file a report with the ethical practices board disclosing the source and amount of all contributions to the candidate's campaign. The ethical practices board shall prescribe forms governing these disclosures. Expenditures and contributions have the meaning defined in section 10A.01. These terms do not include the mailing made by the association board on behalf of the candidate. A candidate ~~must shall~~ file a report within 30 days from the day that the results of the election are announced. The ethical practices board shall maintain these reports and make them available for public inspection in the same manner as the board maintains and makes available other reports filed with it. By January 10 of each year in which elections are to be held the board shall distribute by mail to the members ballots listing the candidates. No member may vote for more than one candidate for each board position to be filled. A ballot indicating a vote for more than one person for any position ~~shall be is~~ void. No special marking may be used on the ballot to indicate incumbents. The last day for mailing ballots to the fund ~~shall be is~~ January 31. Terms expire on January 31 of the fourth year, and positions are vacant until newly elected members are qualified. The ballot envelopes ~~shall must~~ be so designed and the ballots shall be counted in such a manner as to insure that each vote is secret.

The elections shall be supervised by the secretary of state. It ~~shall be is~~ the duty of the board of trustees, *the executive director, and any other fiduciary of the public employees retirement association* to ~~faithfully administer the law without prejudice and undertake their activities consistent with the expressed intent of the legislature. They shall act as trustees with a fiduciary obligation to the state of Minnesota which created the fund, the taxpayers of the governmental subdivisions which aid in financing it and the public employees who are its beneficiaries. They shall act in good faith and shall exercise that degree of judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs~~ *article 3.*

Sec. 26. Minnesota Statutes 1987 Supplement, section 353.03, subdivision 3a, is amended to read:

Subd. 3a. [EXECUTIVE DIRECTOR.] (a) [APPOINTMENT.] The board shall appoint, with the advice and consent of the senate, an executive director on the basis of education, experience in the retirement field, and leadership ability. The executive director shall have had at least five years' experience in an executive level management position, which has included responsibility for pensions, deferred compensation, or employee benefits. The executive director serves at the pleasure of the board. The salary of the executive director is as provided by section 15A.081, subdivision 1.

(b) [DUTIES.] The management of the association is vested in the executive director who ~~shall be is~~ the executive and administrative head of the association. The executive director shall act as adviser to the board on all matters pertaining to the association and shall also act as the secretary of the board. The executive director shall:

- (1) attend all meetings of the board;
- (2) prepare and recommend to the board appropriate rules to carry out the provisions of this chapter;
- (3) establish and maintain an adequate system of records and accounts following recognized accounting principles and controls;
- (4) designate an assistant director, with the approval of the board, ~~who shall~~ to serve in the unclassified service and whose salary is set in accordance with section 43A.18, subdivision 3, appoint a confidential secretary in the unclassified service, and appoint employees to carry out this chapter, who are subject to chapters 43A and 179A in the same manner as are executive branch employees;
- (5) organize the work of the association as the director deems necessary to fulfill the functions of the association, and define the duties of its employees and delegate to them any powers or duties, subject to the control of, and under such conditions as, the executive director may prescribe;
- (6) with the approval of the board, contract for the services of an approved actuary, professional management services, and any other consulting services as necessary to fulfill the purposes of this chapter. ~~All contracts are subject to chapter 16B. The commissioner of administration shall not approve, and the association shall not enter into, any contract to provide lobbying services or legislative advocacy of any kind. Any approved actuary retained by the executive director shall function as the actuarial advisor of the board and the executive director and may perform actuarial valuations and experience studies to supplement those performed by the actuary retained by the legislative commission on pensions and retirement. Any supplemental actuarial valuations or experience studies shall be filed with the executive director of the legislative commission on pensions and retirement. Copies of professional management survey reports shall be transmitted to the secretary of the senate, the chief clerk of the house of representatives, and the legislative reference library as provided by section 3-195, to the executive director of the commission and to the legislative auditor at the same time as reports are furnished to the board. Only management firms experienced in conducting management surveys of federal, state, or local public retirement systems shall be qualified to contract with the director hereunder;~~
- (7) with the approval of the board provide in-service training for the employees of the association;
- (8) make refunds of accumulated contributions to former members and to the designated beneficiary, surviving spouse, legal representative or next of kin of deceased members or deceased former members, as provided in this chapter;
- (9) determine the amount of the annuities and disability benefits of members covered by the association and authorize payment of the annuities and benefits beginning as of the dates on which the annuities and benefits begin to accrue, in accordance with the provisions of this chapter;
- (10) pay annuities, refunds, survivor benefits, salaries, and necessary operating expenses of the association;
- (11) prepare and submit to the board and the legislature an annual financial report covering the operation of the association, as required by section 356.20;

(12) prepare and submit biennial and annual budgets to the board for its approval and submit the approved budgets to the department of finance for approval by the commissioner; and

(13) with the approval of the board, perform ~~such~~ other duties as that may be required for the administration of the association and the other provisions of this chapter and for the transaction of its business.

Contracts made by the executive director under clause 6 are subject to chapter 16B. The commissioner of administration may not approve, and the association may not enter into, a contract to provide lobbying services or legislative advocacy of any kind. An approved actuary retained by the executive director shall function as the actuarial advisor of the board and the executive director and may perform actuarial valuations and experience studies to supplement those performed by the actuary retained by the legislative commission on pensions and retirement. A supplemental actuarial valuation or experience study must be filed with the executive director of the legislative commission on pensions and retirement. Copies of professional management survey reports must be transmitted to the secretary of the senate, the chief clerk of the house of representatives, the legislative reference library as provided by section 3.195, the executive director of the commission, and the legislative auditor at the same time as reports are furnished to the board. Only a management firm experienced in conducting management surveys of federal, state, or local public retirement systems is qualified to contract with the director.

Sec. 27. Minnesota Statutes 1986, section 353.05, is amended to read:

353.05 [CUSTODIAN OF FUNDS.]

The state treasurer ~~shall be~~ is ex officio treasurer of the retirement funds of the association, and the treasurer's general bond to the state ~~shall must~~ be so conditioned as to cover all liability for acts as treasurer of these funds, *including liability imposed by article 3.* All ~~moneys~~ money of the association received by the treasurer ~~shall must~~ be set aside in the state treasury to the credit of the proper fund. The treasurer shall transmit monthly to the executive director a detailed statement of all amounts so received and credited to the fund. Payments out of the fund ~~shall may~~ be made only on warrants issued by the commissioner of finance, upon abstracts signed by the executive director; provided that abstracts for investment may be signed by the secretary of the state board of investment.

Sec. 28. Minnesota Statutes 1986, section 353.06, is amended to read:

353.06 [STATE BOARD OF INVESTMENT TO INVEST FUNDS.]

The executive director shall from time to time certify to the state board of investment for investment such portions of the retirement fund as in ~~its~~ *the executive director's* judgment may not be required for immediate use. Assets from the public employees retirement fund ~~shall must~~ be transferred to the Minnesota postretirement investment fund as provided in section 11A.18. The state board of investment shall ~~thereupon~~ invest and reinvest the sum so certified, or transferred, in ~~such~~ securities as that are ~~duly~~ authorized as legal investments for state employees retirement fund under section 11A.24 and ~~shall have authority to~~ may sell, convey, and exchange such securities and invest and reinvest the securities when it deems it desirable to do so and shall sell securities upon request of the board of trustees when such funds are needed for its purposes. ~~All of the~~ Provisions regarding accounting procedures and restrictions and conditions for the

purchase and sale of securities for the state employees retirement fund ~~shall~~ apply to the accounting, purchase, and sale of securities for the public employees retirement fund.

Sec. 29. Minnesota Statutes 1986, section 353.08, is amended to read:
353.08 [LEGAL ADVISER, ATTORNEY GENERAL; VENUE.]

The attorney general ~~shall be~~ is the legal adviser of the board of trustees. The board may sue or be sued in the name of the board of trustees of the public employees retirement association ~~and~~. In all actions brought by it or against it, the board ~~shall~~ must be represented by the attorney general. The venue of all actions against and by the public employees retirement association ~~shall be Ramsey county~~ is as provided in article 3, section 14, subdivision 2.

Sec. 30. Minnesota Statutes 1986, section 353.68, subdivision 1, is amended to read:

Subdivision 1. [GENERAL LAW APPLICABILITY.] The general provisions of this chapter apply to all police officers and firefighters who are members of the police and fire fund and also to all governmental subdivisions employing such members except where otherwise specifically provided in sections 353.63 to 353.68. *Fiduciary activities of the public employees police and fire fund must be undertaken in a manner consistent with article 3.*

Sec. 31. Minnesota Statutes 1987 Supplement, section 354.06, subdivision 1, is amended to read:

Subdivision 1. The management of the fund ~~shall be~~ is vested in a board of eight trustees ~~which shall be~~ known as the board of trustees of the teachers retirement fund. It ~~shall be~~ is composed of the following persons: the commissioner of education, the commissioner of finance, the commissioner of commerce, four members of the fund ~~who shall be~~ elected by the members of the fund, and one retiree ~~who shall be~~ elected by the retirees of the fund. The five elected members of the board of trustees ~~shall~~ must be chosen by mail ballot in a manner ~~which shall be~~ fixed by the board of trustees of the fund. In every odd-numbered year ~~there shall be~~ elected two members of the fund ~~must be elected~~ to the board of trustees for terms of four years commencing on the first of July next succeeding their election. In every odd-numbered year ~~there shall be~~ elected one retiree of the fund ~~must be elected~~ to the board of trustees for a term of two years commencing on the first of July next succeeding the election. The filing of candidacy for a retiree election must include a petition of endorsement signed by at least ten retirees of the fund. Each election ~~shall~~ must be completed by June first of each succeeding odd-numbered year. In the case of elective members, any vacancy ~~shall~~ must be filled by appointment by the remainder of the board, and the appointee shall serve until the members or retirees of the fund at the next regular election have elected a trustee to serve for the unexpired term caused by the vacancy. No member or retiree ~~shall~~ may be appointed by the board, or elected by the members of the fund as a trustee, if the person is not a member or retiree of the fund in good standing at the time of the appointment or election.

Subd. 1a. [FIDUCIARY DUTY.] It ~~shall be~~ is the duty of the board of trustees, the executive director, and any other fiduciary of the teachers retirement association to ~~faithfully administer the law without prejudice~~

and undertake their duties consistent with the expressed intent of the legislature. They shall act as trustees with a fiduciary obligation to the state of Minnesota which created the fund, the taxpayers which aid in financing it and the teachers who are its beneficiaries article 3.

Sec. 32. Minnesota Statutes 1987 Supplement, section 354.06, subdivision 2a, is amended to read:

Subd. 2a. [DUTIES OF EXECUTIVE DIRECTOR.] The management of the association is vested in the executive director, who shall be the executive and administrative head of the association. The executive director shall act as advisor to the board on all matters pertaining to the association and shall also act as the secretary of the board. The executive director shall:

- (1) attend all meetings of the board;
- (2) prepare and recommend to the board appropriate rules to carry out the provisions of this chapter;
- (3) establish and maintain an adequate system of records and accounts following recognized accounting principles and controls;
- (4) designate an assistant executive director in the unclassified service and two assistant executive directors in the classified service with the approval of the board, and appoint such employees, both permanent and temporary, as are necessary to carry out the provisions of said chapter;
- (5) organize the work of the association as the director deems necessary to fulfill the functions of the association, and define the duties of its employees and delegate to them any powers or duties, subject to the director's control and under such conditions as the director may prescribe;
- (6) with the approval of the board, contract for the services of an approved actuary, professional management services, and any other consulting services as may be necessary and fix the compensation therefor. ~~Such contracts shall not be subject to the competitive bidding procedure prescribed by chapter 16B. Professional management services may not be contracted for more often than once in every six years. Any approved actuary retained by the executive director shall function as the actuarial advisor of the board and the executive director and may perform actuarial valuations and experience studies to supplement those performed by the actuary retained by the legislative commission on pensions and retirement. Any supplemental actuarial valuations or experience studies shall be filed with the executive director of the legislative commission on pensions and retirement. Copies of professional management survey reports shall be transmitted to the secretary of the senate, the chief clerk of the house of representatives, and the legislative reference library as provided by section 3-195, to the executive director of the commission and to the legislative auditor at the same time as reports are furnished to the board. Only management firms experienced in conducting management surveys of federal, state, or local public retirement systems shall be qualified to contract with the director hereunder for those services;~~
- (7) with the approval of the board, provide in-service training for the employees of the association;
- (8) make refunds of accumulated contributions to former members and to the designated beneficiary, surviving spouse, legal representative, or next of kin of deceased members or deceased former members, as provided in

this chapter;

(9) determine the amount of the annuities and disability benefits of members covered by the association and authorize payment of the annuities and benefits beginning as of the dates on which the annuities and benefits begin to accrue, in accordance with the provisions of this chapter;

(10) pay annuities, refunds, survivor benefits, salaries, and necessary operating expenses of the association;

(11) prepare and submit to the board and the legislature an annual financial report covering the operation of the association, as required by section 356.20;

(12) certify funds available for investment to the state board of investment;

(13) with the advice and approval of the board, request the state board of investment to sell securities on determining that funds are needed for the purposes of the association;

(14) prepare and submit biennial and annual budgets to the board and with the approval of the board submit those budgets to the department of finance; and

(15) with the approval of the board, perform such other duties as may be required for the administration of the association and the other provisions of this chapter and for the transaction of its business.

Contracts are not subject to the competitive bidding procedure prescribed by chapter 16B. Professional management services may not be contracted for more often than once in every six years. An approved actuary retained by the executive director shall function as the actuarial advisor of the board and the executive director and may perform actuarial valuations and experience studies to supplement those performed by the actuary retained by the legislative commission on pensions and retirement. A supplemental actuarial valuation or experience study must be filed with the executive director of the legislative commission on pensions and retirement. Copies of professional management survey reports must be transmitted to the secretary of the senate, the chief clerk of the house of representatives, the legislative reference library as provided by section 3.195, the executive director of the commission, and the legislative auditor at the same time as reports are furnished to the board. Only a management firm experienced in conducting management surveys of federal, state, or local public retirement systems is qualified to contract with the director.

Sec. 33. Minnesota Statutes 1986, section 354.06, subdivision 3, is amended to read:

Subd. 3. [TREASURER.] The state treasurer ~~shall be~~ is ex officio treasurer of the fund ~~and~~. The treasurer's general bond to the state ~~shall~~ must cover any liabilities for acts as treasurer of the fund, *including liabilities imposed by article 3*. The state treasurer shall receive all ~~moneys~~ money payable to the fund and pay out the same only on warrants issued by the commissioner of finance upon forms signed by the executive director.

Sec. 34. Minnesota Statutes 1987 Supplement, section 354.07, subdivision 3, is amended to read:

Subd. 3. The attorney general shall be legal advisor to the board and the executive director. The board may sue or be sued in the name of the board of trustees of the teachers retirement fund and in all actions brought

by or against it the board ~~shall~~ *must* be represented by the attorney general. Venue of all actions is in the Ramsey county district court as provided in article 3, section 14, subdivision 2.

Sec. 35. Minnesota Statutes 1986, section 354.07, subdivision 4, is amended to read:

Subd. 4. [INVESTMENT OF ASSETS.] ~~It shall be the duty of~~ The board from time to time ~~to shall~~ certify to the state board of investment for investment as much of the funds in its hands as ~~shall~~ *are* not ~~be~~ needed for current purposes. ~~Such~~ Funds that are certified to the variable annuity division ~~shall~~ *must* include employee deductions as well as an equal amount for state's matching. ~~Such~~ Funds that are certified as to investment in the postretirement investment fund ~~shall~~ *must* include the amount as required for the total reserves needed for the purposes described in section 354.63. The state board of investment shall ~~thereupon~~ transfer ~~such~~ assets to the appropriate fund ~~provided herein~~, in accordance with ~~the procedure set forth in~~ sections 354.62 and 354.63, or invest and reinvest an amount equal to the sum so certified in ~~such~~ the securities as ~~that~~ *are now or may hereafter* ~~be duly~~ authorized legal investments for state employees retirement fund ~~under section 11A.24~~, and all ~~such~~ securities so transferred or purchased ~~shall~~ *must* be deposited with the state treasurer. All interest from these investments ~~shall~~ *must* be credited to the appropriate funds and used for current purposes or investments, except as ~~hereinafter~~ provided by *this section*. The state board of investment ~~shall have authority to~~ *may* sell, convey, and exchange ~~such~~ securities and invest and reinvest the funds when it deems it desirable to do so, and shall sell securities upon request of the officers of the association when such officers determine funds are needed for ~~its~~ *the association's* purposes. All of the provisions regarding accounting procedures and restrictions and conditions for the purchase and sale of securities for the state employees retirement fund ~~shall~~ apply to the accounting, purchase, and sale of securities for the teachers' retirement fund.

Sec. 36. Minnesota Statutes 1986, section 354A.021, subdivision 6, is amended to read:

Subd. 6. [TRUSTEES' FIDUCIARY OBLIGATION.] ~~It is the duty of~~ The trustees or directors of each teachers retirement fund association ~~to shall~~ administer each fund in accordance with the applicable portions of this chapter, of the articles of incorporation, and of the bylaws, ~~and of~~ article 3. ~~They shall act as trustees with a fiduciary obligation to the state of Minnesota which created the fund, the taxpayers which aid in financing it, and the teachers who are its beneficiaries.~~ The purpose of this subdivision is to establish each teachers retirement fund association as a trust under the laws of the state of Minnesota for all purposes related to section 401(a) of the Internal Revenue Code of the United States, including all amendments.

Sec. 37. Minnesota Statutes 1986, section 354A.08, is amended to read:

354A.08 [AUTHORIZED INVESTMENTS.]

Any A teachers retirement fund association may receive, hold, and dispose of real estate or personal property acquired by it, whether the acquisition was by gift, purchase or any other lawful means, as provided in this chapter or in the association's articles of incorporation. In addition to other authorized real estate investments, an association may also invest funds in Minnesota situs nonfarm real estate ownership interests or loans secured

by mortgages or deeds of trust only in investments authorized by article 3, section 6. Types and amounts at cost or book of investment securities or other investments held by the association before the effective date of this section may be retained after that date if they were proper investments for the teachers retirement fund association on that date.

Sec. 38. Minnesota Statutes 1986, section 422A.05, subdivision 2a, is amended to read:

Subd. 2a. [FIDUCIARY DUTY.] In the discharge of their respective duties, the members of the board, the executive director, the board staff, and any other person charged with the responsibility of investing money pursuant to the standards set forth in accordance with this chapter or engaging in any other fiduciary activity shall act in good faith and shall exercise that degree of judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived therefrom a manner consistent with article 3.

Sec. 39. Minnesota Statutes 1986, section 422A.05, subdivision 2c, is amended to read:

Subd. 2c. [INVESTMENTS.] The board may invest funds only in investments authorized by article 3, section 11A.24 6. In addition to other authorized real estate investments, the board may also invest funds in Minnesota situs nonfarm real estate ownership interests or loans secured by mortgages or deeds of trust.

Sec. 40. Minnesota Statutes 1986, section 422A.05, subdivision 2d, is amended to read:

Subd. 2d. [ACCOUNT TRANSFERS.] Notwithstanding any law to the contrary, the retirement board, subject to the standards of subdivision 2a of this section article 3, may transfer assets between accounts established by section 422A.06.

Sec. 41. Minnesota Statutes 1986, section 423.374, is amended to read:
423.374 [OFFICERS OF ASSOCIATION.]

Subdivision 1. [RELIEF ASSOCIATION OFFICERS.] The officers of the relief association shall be are a president, one or more vice-presidents, a secretary, and a treasurer. The offices of assistant secretary and assistant treasurer may be created by the bylaws of any such associations.

Subd. 2. [RELIEF ASSOCIATION MANAGEMENT.] The affairs of each association shall must be managed by a board of directors elected in the manner prescribed by the articles of incorporation of the association and article 3.

Subd. 3. [BONDING.] The secretary and treasurer of each relief association shall each furnish a corporate bond to the association for the faithful performance of their duties, in such amounts as the association from time to time may determine. Each relief association shall and is hereby authorized to pay the premiums on such bonds from its special fund.

Sec. 42. Minnesota Statutes 1986, section 423.45, is amended to read:
423.45 [OFFICERS; DIRECTORS; BOND.]

Subdivision 1. [RELIEF ASSOCIATION OFFICERS.] The officers of

the relief association ~~shall be~~ are a president, one or more vice-presidents, a secretary, and a treasurer. The offices of assistant secretary and assistant treasurer may be created by the bylaws of any such associations.

Subd. 2. [RELIEF ASSOCIATION MANAGEMENT.] The affairs of each association ~~shall must~~ be managed by a board of directors elected in the manner prescribed by the articles of incorporation of the association *and article 3.*

Subd. 3. [BONDING.] The secretary and treasurer of each relief association shall each furnish a corporate bond to the association for the faithful performance of their duties, in such amounts as the association from time to time may determine. Each relief association shall ~~and is hereby authorized to~~ pay the premiums on such bonds from its special fund.

Sec. 43. Minnesota Statutes 1986, section 423.805, is amended to read:
423.805 [POLICE PENSION FUND.]

The association shall establish a police pension fund or continue to maintain the police pension fund now existing in the city and shall ~~have the management manage~~ and control of the fund. *Fiduciary activities of the fund must be undertaken in a manner consistent with article 3.*

Sec. 44. Minnesota Statutes 1986, section 423A.21, subdivision 4, is amended to read:

Subd. 4. [FIDUCIARY RESPONSIBILITY.] In the discharge of their respective duties, the officers and trustees ~~shall be~~ are held to the general standard of care ~~enumerated in section 44A.09~~ and specific duties of article 3.

Each member of the board is a fiduciary *and shall undertake all fiduciary activities in a manner consistent with article 3.* ~~No fiduciary of a relief association shall cause a relief association to engage in a transaction if the fiduciary knows or should know that a transaction constitutes one of the following direct or indirect transactions:~~

(1) ~~sale or exchange or leasing of any real property between the relief association and a board member;~~

(2) ~~lending of money or other extension of credit between the relief association and a board member or member of the relief association;~~

(3) ~~furnishing of goods, services, or facilities between the relief association and a board member; or~~

(4) ~~transfer to a board member, or use by or for the benefit of a board member, of any assets of the relief association. Transfer of assets does not mean the payment of relief association benefits or administrative expenses permitted by law.~~

Sec. 45. Minnesota Statutes 1986, section 424.06, is amended to read:
424.06 [OFFICERS; TRUSTEES.]

Subdivision 1. [RELIEF ASSOCIATION OFFICERS.] The officers of the relief association ~~shall be~~ are a president, one or more vice-presidents, a secretary, and a treasurer. The offices of assistant secretary and assistant treasurer may be created by the bylaws of any such associations.

Subd. 2. [RELIEF ASSOCIATION MANAGEMENT.] The affairs of each association ~~shall must~~ be managed by a board of trustees elected in the

manner prescribed by the articles of incorporation of the association *and article 3.*

Subd. 3. [BONDING.] The secretary and treasurer of each relief association shall each furnish a corporate bond to the association for the faithful performance of their duties, in amounts as the association from time to time may determine. Each relief association ~~shall be and is hereby authorized to may~~ pay the premiums on such bonds from its general fund.

Sec. 46. Minnesota Statutes 1986, section 424A.001, subdivision 7, is amended to read:

Subd. 7. [FIDUCIARY RESPONSIBILITY.] In the discharge of their respective duties, the officers and trustees ~~shall be and any other fiduciary of the association are held to the general standard of care enumerated in section 41A.09 provided in~~ article 3.

Each member of the board is a fiduciary *and shall undertake all fiduciary activities in a manner consistent with article 3.* ~~No fiduciary of a relief association shall cause a relief association to engage in a transaction if the fiduciary knows or should know that a transaction constitutes one of the following direct or indirect transactions:~~

(1) ~~sale or exchange or leasing of any real property between the relief association and a board member;~~

(2) ~~lending of money or other extension of credit between the relief association and a board member or member of the relief association;~~

(3) ~~furnishing of goods, services, or facilities between the relief association and a board member; or~~

(4) ~~transfer to a board member, or use by or for the benefit of a board member, of any assets of the relief association. Transfer of assets does not mean the payment of relief association benefits or administrative expenses permitted by law.~~

Sec. 47. Minnesota Statutes 1986, section 424A.04, subdivision 2, is amended to read:

Subd. 2. [FIDUCIARY DUTY.] ~~It shall be the duty of The board of trustees to faithfully administer any provisions of statute or special law applicable to the relief association without prejudice and any other fiduciary of the relief association shall undertake their activities consistent with the expressed intent of the legislature. The members of the board shall act as trustees with a fiduciary obligation to the state of Minnesota which authorized the creation of the relief association; to the taxpayers who aid in its financing; and to the firefighters who are its beneficiaries~~ article 3.

Sec. 48. [490.021] [ADMINISTRATION OF VARIOUS JUDGES RETIREMENT PLANS.]

The Minnesota state retirement system shall administer the judges retirement plans established by sections 490.025 to 490.12 in accordance with article 3.

Sec. 49. Minnesota Statutes 1986, section 490.122, is amended to read:
490.122 [ADMINISTRATION OF JUDGES' RETIREMENT.]

The policymaking, management, and administrative functions governing

the operation of the judges' retirement fund and the administration of sections ~~490.025~~ 490.121 to 490.132 ~~shall be~~ are vested in the board of directors and executive director of the Minnesota state retirement system with such duties, authority, and responsibility as are provided in chapter 352. Except as otherwise specified, no provision of chapter 352 ~~shall apply~~ applies to the judges' retirement fund or any judge. *Fiduciary activities of the uniform retirement and survivors' annuities for judges must be undertaken in a manner consistent with article 3.*

Sec. 50. Minnesota Statutes 1986, section 490.123, subdivision 2, is amended to read:

Subd. 2. [TREASURER.] The state treasurer ~~shall be~~ is ex officio treasurer of the judges' retirement fund, and the treasurer's general bond to the state ~~shall must~~ be so conditioned as to cover all liability for acting as treasurer of this fund, *including liability imposed by article 3.* All ~~moneys~~ money received by the treasurer pursuant to this section ~~shall must~~ be set aside in the state treasury to the credit of the judges' retirement fund. The treasurer shall transmit monthly to the executive director described in section 352.03, subdivision 5, a detailed statement of all amounts so received and credited to the fund. The treasurer shall pay out the fund only on warrants issued by the commissioner of finance, upon vouchers signed by ~~said~~ the executive director; provided that vouchers for investment may be signed by the secretary of the state board of investment.

Sec. 51. [REPEALER.]

Minnesota Statutes 1986, sections 356.71 and 423.812, are repealed.

Sec. 52. [EFFECTIVE DATE.]

Sections 1 to 51 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to retirement; regulating volunteer firefighters annuity contracts; authorizing changes in certain local police and firefighters relief associations; establishing standards for fiduciaries of public retirement funds; amending Minnesota Statutes 1986, sections 11A.01; 11A.07, subdivision 4; 11A.08, subdivision 6; 11A.09; 11A.13, subdivision 1; 69.30; 69.77, subdivision 2g; 69.775; 136.80, subdivision 1; 136.84; 352C.091, subdivision 1; 352D.09, subdivision 1; 353.03, subdivision 1; 353.05; 353.06; 353.08; 353.68, subdivision 1; 354.06, subdivision 3; 354.07, subdivision 4; 354A.021, subdivision 6; 354A.08; 422A.05, subdivisions 2a, 2c, and 2d; 423.374; 423.45; 423.805; 423A.21, subdivision 4; 424.06; 424A.001, subdivision 7; 424A.02, by adding subdivisions; 424A.04, subdivision 2; 490.122; 490.123, subdivision 2; Minnesota Statutes 1987 Supplement, sections 11A.04; 352.03, subdivisions 1, 4, 6, 7, and 11; 352.05; 352.92, by adding a subdivision; 352.96, subdivision 3; 352B.03, subdivision 1; 352B.07; 353.03, subdivision 3a; 354.06, subdivisions 1 and 2a; and 354.07, subdivision 3; Laws 1955, chapter 151, section 9, subdivision 7, as amended; and Laws 1987, chapter 372, article 2, section 16; proposing coding for new law in Minnesota Statutes, chapters 3A; 60A; 356A; and 490; repealing Minnesota Statutes 1986, sections 356.71 and 423.812."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Rule 35, together with the committee report thereon,

S.F. No. 1517: A bill for an act relating to traffic regulations; providing for allocation of civil fines for motor vehicle maximum weight violations; amending Minnesota Statutes 1986, section 169.871, subdivision 5.

Reports the same back with the recommendation that the report from the Committee on Transportation, shown in the Journal for March 17, 1988, be amended to read:

"the bill be amended and when so amended the bill do pass and be referred to the Committee on Finance". Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred for proper reference under Rule 35:

S.F. No. 2545 reports the same back with the recommendation that the bill be re-referred as follows:

S.F. No. 2545 to the Committee on Transportation.

Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 2183, 2196 and 2175 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. No. 1077 was read the second time.

MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 1486 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 1486: A bill for an act relating to railroads; providing reporting and disclosure requirements for railroad acquisitions; preserving contracts between acquiring railroad carriers and shippers and governmental entities; proposing coding for new law in Minnesota Statutes, chapter 222.

Mr. Pehler moved to amend H.F. No. 1486, as amended pursuant to Rule 49, adopted by the Senate March 21, 1988, as follows:

(The text of the amended House File is identical to S.F. No. 1442.)

Page 3, delete section 4 and insert:

"Sec. 4. [222.88] [PRIORITY IN HIRING.]

An acquiring carrier under sections 1 to 3 shall give priority in hiring, based upon length of service on the affected rail line, to employees of the divesting carrier performing service in connection with the affected rail line. To assert priority, the employee must be qualified by experience and training to perform the available job."

The motion prevailed. So the amendment was adopted.

Mr. Frederickson, D.R. moved to amend H.F. No. 1486, as amended pursuant to Rule 49, adopted by the Senate March 21, 1988, as follows:

(The text of the amended House File is identical to S.F. No. 1442.)

Page 1, line 17, after "railroad" insert ", except carriers acquiring an abandoned line."

The motion prevailed. So the amendment was adopted.

H.F. No. 1486 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 54 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	McQuaid	Ramstad
Anderson	Davis	Jude	Mehrkens	Reichgott
Beckman	Decker	Knaak	Merriam	Renneke
Belanger	DeCramer	Knutson	Moe, R. D.	Schmitz
Benson	Diessner	Kroening	Morse	Storm
Berg	Frank	Laidig	Olson	Stumpf
Berglin	Frederick	Langseth	Pehler	Taylor
Bernhagen	Frederickson, D.J.	Lantry	Peterson, D.C.	Vickerman
Bertram	Frederickson, D.R.	Larson	Peterson, R.W.	Waldorf
Brataas	Gustafson	Luther	Piper	Wegscheid
Chmielewski	Hughes	Marty	Purfeerst	

So the bill, as amended, passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1816 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1816: A bill for an act relating to probate; providing for adult health care decisions; imposing penalties; proposing coding for new law as Minnesota Statutes, chapter 145B.

Mr. Waldorf moved to amend S.F. No. 1816 as follows:

Delete everything after the enacting clause and insert:

"Section 1. [145.99] [CITATION.]

Sections 1 to 11 may be cited as the medical treatment for vulnerable adults act.

Sec. 2. [145.991] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For the purposes of sections 1 to 11, the terms in this section have the meanings given.

Subd. 2. [COMPETENT PERSON.] "Competent person" means an adult or emancipated minor who is able to make decisions about that person's medical treatment or care.

Subd. 3. [DECLARATION.] "Declaration" means a writing made in accordance with the requirements of section 5.

Subd. 4. [HEALTH CARE FACILITY.] "Health care facility" means a hospital or other entity licensed under sections 144.50 to 144.58 or a nursing home licensed to serve adults under section 144A.02.

Subd. 5. [HEALTH CARE PROVIDER.] "Health care provider" means a person, health care facility, organization, or corporation licensed, certified, or otherwise authorized or permitted by the laws of this state to administer health care directly or through an arrangement with other health care providers.

Subd. 6. [HMO.] "HMO" means an organization licensed under sections 62D.01 to 62D.30.

Subd. 7. [INCOMPETENT PERSON.] "Incompetent person" means any natural person who: (1) is an unemancipated minor; (2) has been declared legally incompetent to make decisions affecting medical treatment or care; or (3) is unable to make decisions affecting medical treatment or care.

Subd. 8. [MEDICAL TREATMENT.] "Medical treatment" means medically appropriate surgical techniques, medications, or technologies used to reverse or alleviate a life-threatening or health-impairing condition, or a complication arising from that condition. Medical treatment does not include: (1) administration of nutrition through the gastrointestinal tract, or by any other means customarily used by health care providers; or (2) administration of hydration.

Subd. 9. [NUTRITION.] "Nutrition" means nutrition as administered through the gastrointestinal tract, or by any other means customarily applied by health care providers.

Subd. 10. [PHYSICIAN.] "Physician" means a person licensed to practice medicine in Minnesota.

Subd. 11. [TERMINAL ILLNESS OR INJURY.] "Terminal illness or injury" means an incurable and irreversible medical condition that, regardless of medical treatment and the administration of nutrition and hydration, will result in the death of a person from that condition or a complication arising from that condition. Terminal illness or injury does not include mental retardation, mental illness, or any other chronic mental or physical impairment, including comatose conditions, that alone do not result in death.

Sec. 3. [145.992] [PRESUMPTIONS.]

It shall be presumed that every incompetent person has directed that person's health care providers to provide nutrition and hydration, in order to sustain life and minimize pain and discomfort, unless one of the following conditions is met:

(1) the patient has voluntarily, while competent, issued a declaration that provides for the provision, maintenance, withholding, or withdrawing of medical care or nutrition and hydration except that nutrition and hydration may be withheld or withdrawn only if the patient is in a terminal condition;

(2) the patient has voluntarily, while competent, issued a declaration that appoints a proxy to make decisions regarding the provision, maintenance, withholding, or withdrawing of medical care except that nutrition and hydration may be withheld or withdrawn only if the patient is in a

terminal condition and death is imminent; provided, however, that withholding or withdrawing of nutrition or hydration would not result in death from malnutrition or dehydration rather than from an underlying terminal illness or injury;

(3) there is clear and convincing evidence that the patient while competent, voluntarily decided, after diagnosis of a terminal illness or injury and after receiving information sufficient to establish informed consent, that a specific form of medical care or nutrition and hydration should be withheld or withdrawn;

(4) in the reasonable medical judgment of the consulting physician and a second consulting physician the patient is: (i) in a terminal condition; (ii) chronically and irreversibly incompetent; and (iii) death is imminent; provided, however, that withholding or withdrawing of nutrition or hydration would not result in death from malnutrition or dehydration rather than from an underlying terminal illness or injury; or

(5) the provision of nutrition and hydration would itself cause severe, intractable, and long-lasting pain to the person.

Sec. 4. [145.993] [LIMITATIONS; REVOCATION.]

Subdivision 1. [LIMITATIONS.] (a) Declarations and proxy decisions take effect only when the attending physician makes a reasonable medical judgment that the patient is incompetent.

(b) Declarations and proxy appointments have no effect if the form was supplied by the health care providers.

(c) Declarations take effect only after the patient has had the opportunity to review and revise them after having been diagnosed with a life-threatening illness or injury, or the attending physician certifies on the medical record that the patient is unable to make that review.

(d) An informed consent decision made by a competent person at the time care is needed takes precedence over a preceding declaration or directive made by a proxy. A declaration takes precedence over a directive of a proxy.

(e) No proxy, guardian, or other person has the authority to make a decision on behalf of another person to withhold or withdraw nutrition and hydration except when the circumstances and conditions of section 3 apply.

Subd. 2. [REVOCATION.] A declaration directing the provision, withdrawal, or withholding of treatment or care or authorizing another to do so may be revoked by the person who issued it in a manner that evidences an intention to revoke, whether or not the declarant is competent at the time of revocation.

Sec. 5. [145.994] [DECLARATION.]

Subdivision 1. [SCOPE.] A competent adult may make a declaration of preferences or instructions regarding medical treatment, including, but not limited to, consent or refusal of any medical treatment or provision of nutrition and hydration under section 3, service, procedure, or placement. A declaration may include preferences or instructions regarding medical treatment, the designation of a proxy to make medical treatment decisions on behalf of the declarant, or both.

Subd. 2. [WITNESSING; ALTERNATIVE TO WITNESSING.] The declaration is effective when signed by the declarant and two witnesses or a notary public. If the declarant is physically unable to sign the document, the declaration may be given orally, in which case one of the witnesses shall subscribe the document at the declarant's direction. One of the witnesses must be someone who is not entitled to any part of the estate of the declarant under a will then existing or by operation of law. Neither of the witnesses may be named as a proxy in the declaration. Each witness shall substantially make the following declaration on the document:

"I certify that the declarant voluntarily signed this declaration in my presence and that the declarant is personally known to me. I am not named as a proxy by the declaration."

Sec. 6. [145.995] [SUGGESTED FORM.]

A declaration executed under this chapter may, but need not, be in the following form. Forms printed for public distribution must be substantially in the following form:

"Notice: Health Care Declaration

This is an important legal document. Before signing this document, you should know these important facts:

(a) This document gives your health care providers or your designated proxy the power and guidance to make medical treatment decisions according to your wishes when you are unable to, with some limitations. These decisions may include what kind of treatment you want or do not want and under what circumstances you want these decisions to be made. You may designate places where you want or do not want treatment.

(b) If you name a proxy in this document, that person has a duty to act consistent with your desires as stated in this document or otherwise made known, or if not known, to act in your best interests. If you do not name a proxy, your health care providers have a duty to act consistent with your instructions, or tell you that they are unwilling to do so.

(c) This document will remain valid and in effect until and unless you amend or revoke it. You are encouraged to review this document periodically to make sure it continues to reflect your preferences. You may amend or revoke the declaration at any time by notifying your health care providers.

(d) Your named proxy has the same right as you have to examine your medical records and to consent to their disclosure unless you limit this right in this document.

(e) If there is anything in this document that you do not understand, you should ask for professional assistance to have it explained to you.

TO MY FAMILY, DOCTORS, AND ALL THOSE CONCERNED WITH MY CARE:

I, , being an adult of sound mind, willfully and voluntarily make this statement as a directive to be followed if I become unable to participate in decisions regarding my medical treatment. I understand that my health care providers are legally and morally bound to act consistent with my wishes, within the limits of applicable law. I also understand that I have the right to make medical and health care decisions for myself as long as I am able to do so, and to revoke this declaration at any time.

(1) *The following are my feelings and wishes regarding my health care. (You may state the circumstances under which this declaration applies.):*

.....
.....

(2) *I particularly want to have all appropriate medical treatment that will help in the following ways. (You may give instructions for care you do want.):*

.....
.....
.....

(3) *I particularly do not want the following. (You may list specific treatment you do not want in certain circumstances.):*

.....
.....

(4) *Thoughts I feel are relevant to my instructions. (You may, but need not, give your religious beliefs, philosophy, or other personal values that you feel are important. You may also state preferences concerning the location of your care.):*

.....
.....
.....

(5) *Proxy Designation. (If you wish, you may name someone to see that your wishes are carried out, but you do not have to do this. You may also name a proxy without including specific instructions regarding your care. If you name a proxy, you should discuss your wishes with that person.)*

Should I become unable to communicate my instructions, I designate the following person(s) to act on my behalf consistent with my instructions, if any, as stated above. Unless I write instructions that set limits on my proxy's authority, my proxy has full power and authority to make medical treatment decisions for me within the limits of applicable law.

Name:

Address:

Phone Number:

Relationship: (If any)

If the person I have named above is unable or unavailable to act on my behalf, or if I revoke that person's authority to act as my proxy, I authorize the following person to do so:

Name:

Address:

Phone Number:

Relationship: (If any)

I understand that I have the right to revoke the appointment of the persons named above to act on my behalf at any time by communicating that decision to the proxy or my health care provider.

DATE:
 SIGNED:
 STATE OF)
) SS.
 COUNTY OF)

Subscribed, sworn to, and acknowledged before me by
 on this day of, 19

Notary Public

Or

(Sign and date here in the presence of two adult witnesses; at least one of whom is not entitled to any part of your estate under a will or by operation of law, and neither of whom is your proxy.)

I certify that the declarant voluntarily signed this declaration in my presence and that the declarant is personally known to me. I am not named as a proxy by the declaration.

Witness Address

Witness Address

(In addition, one of the witnesses must execute the following declaration):

To the best of my knowledge, I am not entitled to any part of the estate of the declarant under a will or by operation of law.

Witness Address

Reminder: Keep the signed original with your personal papers. Give signed copies to your doctors, family, and proxy."

Sec. 7. [145.996] [COMPLIANCE WITH DECLARATION.]

A physician or other health care provider shall make the declaration a part of the declarant's medical record and if unwilling at any time to comply with the declaration, shall promptly notify the declarant and document the notification in the declarant's medical record. After notification, if a competent declarant fails to transfer to a different physician or provider, no duty arises on the part of the physician or provider to transfer the patient.

Sec. 8. [145.997] [RIGHTS AND DUTIES OF HEALTH CARE PROVIDERS.]

(a) A health care provider is not required to provide medical care or nutrition and hydration if that treatment or care is not medically possible.

(b) Notwithstanding any other provision of law, a health care provider is not required to participate in or provide facilities for a patient for whom medical treatment or nutrition and hydration are to be withheld or withdrawn if this would violate the policy or conscientious belief of the health care provider.

(c) Sections 1 to 11 do not require or alter any duty that requires a health care provider to provide medical care or nutrition and hydration for which the health care provider will not be reimbursed.

(d) Nothing in this section, including the existence of a declaration or proxy appointment made under section 5, relieves a physician of the duty

to seek informed consent from the patient concerning reasonably foreseeable treatment and care options during a likely future period of incompetence if there is a reasonable opportunity to do so after the diagnosis of the illness or injury while the patient is still competent.

Sec. 9. [145.998] [DECISION OF INCOMPETENT PREGNANT WOMEN.]

Notwithstanding section 5, unless the woman has specifically otherwise provided pursuant to the requirements of section 3, clause (3), if an incompetent person is a woman known to be pregnant, it is presumed that she has directed the use of medical treatment, and nutrition and hydration if the attending physician makes a reasonable medical judgment that the use of the medical treatment and nutrition and hydration will enable the woman's child to develop to a sufficient degree that the child would sustain life apart from the woman's body.

Sec. 10. [145.999] [SEVERABILITY.]

If a portion of section 2, 3, or 4, or its application to any person or circumstance is held invalid, the entire act is invalid.

Sec. 11. [145.9995] [CONSTRUCTION.]

Nothing in this act may be construed to affect or diminish any state interest in the preservation of human life, the maintenance of the ethical integrity of the medical profession, the protection of third parties, or the prevention of suicide."

Delete the title and insert:

"A bill for an act relating to health; establishing a medical treatment for vulnerable adults act; regulating the withdrawal, withholding, or administration of medical care to vulnerable adults; proposing coding for new law in Minnesota Statutes, chapter 145."

CALL OF THE SENATE

Mr. Jude imposed a call of the Senate for the balance of the proceedings on S.F. No. 1816. The Sergeant at Arms was instructed to bring in the absent members.

Mr. Belanger moved to amend the Waldorf amendment to S.F. No. 1816 as follows:

Page 8, delete lines 19 to 21

Reletter the paragraphs in sequence

The motion did not prevail. So the amendment to the amendment was not adopted.

The question recurred on the adoption of the Waldorf amendment.

The roll was called, and there were yeas 36 and nays 30, as follows:

Those who voted in the affirmative were:

Adkins	Decker	Knaak	Merriam	Taylor
Anderson	Frank	Knutson	Metzen	Vickerman
Beckman	Frederickson, D.R.	Kroening	Olson	Waldorf
Benson	Gustafson	Laidig	Pehler	Wegscheid
Bernhagen	Hughes	Langseth	Renneke	
Bertram	Johnson, D.E.	Larson	Samuelson	
Chmielewski	Johnson, D.J.	Lessard	Schmitz	
Dahl	Jude	McQuaid	Stumpf	

Those who voted in the negative were:

Belanger	DeCramer	Lantry	Morse	Purfeerst
Berg	Dicklich	Luther	Novak	Ramstad
Berglin	Diessner	Marty	Peterson, D.C.	Reichgott
Brataas	Frederick	Mehrkens	Peterson, R.W.	Solon
Cohen	Frederickson, D.J.	Moe, D.M.	Piper	Spear
Davis	Freeman	Moe, R.D.	Pogemiller	Storm

The motion prevailed. So the amendment was adopted.

Mr. Moe, R.D. moved that S.F. No. 1816 be laid on the table. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Berg moved that S.F. No. 1748, No. 36 on General Orders, be stricken and returned to its author. The motion prevailed.

MEMBERS EXCUSED

Mr. Cohen was excused from the Session of today from 1:30 to 3:00 p.m. Mr. Lessard was excused from the Session of today from 2:00 to 3:00 p.m. Messrs. Gustafson and Solon were excused from the Session of today from 12:00 noon to 1:15 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:00 noon, Thursday, March 24, 1988. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

SEVENTY-FIFTH DAY

St. Paul, Minnesota, Thursday, March 24, 1988

The Senate met at 12:00 noon and was called to order by the President.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Paul H. Knutson.

The roll was called, and the following Senators answered to their names:

Adkins	Davis	Jude	Metzen	Renneke
Anderson	Decker	Knaak	Moe, D.M.	Samuelson
Beckman	DeCramer	Knutson	Moe, R.D.	Schmitz
Belanger	Dicklich	Kroening	Morse	Solon
Benson	Diessner	Laidig	Novak	Spear
Berg	Frank	Langseth	Olson	Storm
Berglin	Frederick	Lantry	Pehler	Stumpf
Bernhagen	Frederickson, D.J.	Larson	Peterson, D.C.	Taylor
Bertram	Frederickson, D.R.	Lessard	Peterson, R.W.	Vickerman
Brandl	Freeman	Luther	Piper	Waldorf
Brataas	Gustafson	Marty	Pogemiller	Wegscheid
Chmielewski	Hughes	McQuaid	Purfeerst	
Cohen	Johnson, D.E.	Mehrkens	Ramstad	
Dahl	Johnson, D.J.	Merriam	Reichgott	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communication was received.

March 23, 1988

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1988 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Date Approved 1988	Date Filed 1988
1594		411	March 22	March 22
	1884	412	March 22	March 22

Sincerely,

Joan Anderson Growe
Secretary of State

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S.F. Nos. 2358 and 2367.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 23, 1988

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 1713: A bill for an act relating to state lands; authorizing private sale of certain tax-forfeited lands in Carlton county.

Senate File No. 1713 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 23, 1988

Mr. Chmielewski moved that S.F. No. 1713 be laid on the table. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 2489, 2551 and 2245.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 23, 1988

FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committee indicated.

H.F. No. 2489: A bill for an act relating to land exchange; authorizing the exchange of certain state lands free from reservations of public travel under certain conditions; authorizing sale of certain land in Cook county; amending Minnesota Statutes 1986, section 94.342, subdivision 3.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2216, now on General Orders.

H.F. No. 2551: A bill for an act relating to state lands; authorizing private conveyance of tax-forfeited land in St. Louis county.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2215, now on General Orders.

H.F. No. 2245: A bill for an act relating to education; providing aids for education and the distribution of tax revenues; increasing the basic formula allowance; setting the general education levy; modifying the transportation aid and levy formulas; creating an American Indian education council; requiring a study of Indian education; requiring the development of a new model for secondary vocational instruction; modifying the community education formulas; offering free admission to secondary school to eligible persons at least 21 years of age; creating education district revenue; encouraging integrated learning environments; making technical corrections to the cooperative secondary facilities grant act; providing for the sale of permanent school fund lands; requiring the signing of an education statement; requiring certain changes in the state high school league; creating a task force on school district reorganization; changing the capital expenditure formulas; appropriating money; amending Minnesota Statutes 1986, sections 92.06, subdivision 4; 92.14, by adding a subdivision; 92.67, subdivision 5; 120.06, by adding a subdivision; 120.075, subdivisions 1a, 3, and by adding a subdivision; 120.0751, subdivision 1, and by adding a subdivision; 120.0752, subdivision 1, and by adding a subdivision; 120.74, subdivision 1; 121.11, subdivision 12; 121.15, subdivisions 6, 7, and by adding a subdivision; 121.612, by adding a subdivision; 121.88, by adding subdivisions; 123.35, subdivision 8; 123.3514, by adding a subdivision; 124.17, by adding a subdivision; 124.18, subdivision 2; 124.214, subdivision 2; 124.225, by adding a subdivision; 124.245, by adding a subdivision; 124.271, by adding subdivisions; 124.2711, by adding a subdivision; 124A.036, subdivision 2; 126.14, subdivision 1; 126.151; 126.56, subdivision 2; 129.121, subdivision 2, and by adding subdivisions; 260.015, subdivision 19; 275.125, by adding subdivisions; Minnesota Statutes 1987 Supplement, sections 92.46, subdivision 1; 92.67, subdivisions 1, 3, and 4; 120.0752, subdivision 3; 120.101, subdivisions 5 and 9; 120.17, subdivision 1; 121.612, subdivision 3; 121.87, subdivision 1a; 123.3515, subdivisions 1, 2, 3, 5, 6, 9, and by adding a subdivision; 124.214, subdivision 3; 124.223; 124.225, subdivision 4b; 124.26, subdivision 1b; 124.271, subdivision 2b; 124.2711, subdivision 1; 124.494, subdivisions 5 and 6; 124.573, subdivision 2b, and by adding subdivisions; 124A.036, subdivision 5; 124A.22, subdivisions 2, 3, and 6; 124A.23, subdivisions 1, 2, 3, and by adding subdivisions; 124A.24; 124A.25, subdivisions 2, 4, and by adding a subdivision; 125.185, subdivision 4; 126.22, subdivisions 2, 3, 4, and by adding a subdivision; 126.666, by adding a subdivision; 126.70, subdivision 2a; 129.121, subdivision 1; 129B.11, subdivisions 1 and 2, and by adding a subdivision; 275.125, subdivisions 5 and 8; Laws 1987, chapter 398, article 1, section 27, subdivision 3; article 2, section 13, subdivision 2; article 3, section 39, subdivision 8; article 5, section 2, subdivision 12; article 6, section 19, subdivision 7; proposing coding for new law in Minnesota Statutes, chapters 120; 121; 122; 124; 124A; 126; 129B; 145; repealing Minnesota Statutes 1986, section 124.245, subdivision 4; Minnesota Statutes 1987 Supplement, sections 121.11, subdivision 16; 124.244; 124.245, subdivisions 3, 3a, and 3b;

124A.27, subdivision 10; and 275.125, subdivisions 6e and 11c.

Mr. Merriam, for Mr. Moe, R.D., moved that H.F. No. 2245 be laid on the table. The motion prevailed.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

S.F. No. 2513: A bill for an act relating to metropolitan government; creating a legislative task force to monitor performance of metropolitan agencies in complying with certain laws; prescribing the contents of affirmative action plans for metropolitan agencies and a process for approval and reporting of those plans; requiring purchases from small businesses and businesses owned by socially or economically disadvantaged persons; amending Minnesota Statutes 1986, sections 473.141, subdivision 9, and by adding a subdivision; and 473.406, subdivisions 2, 5, 6, and 7; proposing coding for new law in Minnesota Statutes, chapters 3 and 473; repealing Minnesota Statutes 1986, section 473.556, subdivision 14.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1986, section 473.141, subdivision 9, is amended to read:

Subd. 9. [PERSONNEL CODE; MERIT SYSTEM.] (a) The council shall by resolution adopt guidelines for a personnel code relating to the employees of the commissions, except that nothing in Laws 1974, Chapter 422 shall impair the rights of any commission or employee under sections 473.405 and 473.415. After adoption of the guidelines, each commission shall by resolution adopt a personnel code in general conformance therewith. The code shall include a job classification plan, procedures for employment and promotion of personnel based on merit, procedures for the demotion, suspension or discharge of employees, procedures for hearing grievances, procedures for salary administration, and such other provisions as the council deems appropriate. In addition, the code shall provide for the development by each commission of affirmative action plans, ~~which shall be submitted for approval to the appropriate agency or office of the state. The plans shall include a yearly progress report to the agency or office as provided in section 3.~~ The chief administrator of each commission shall administer the code, and no commission shall take any action inconsistent with the personnel code.

(b) All employees of the commission except those expressly designated for the unclassified service, shall serve in the classified service. The unclassified service shall include: members of the commission, the chief administrator of the commission, all officers of the commission, any employee of the commission who is determined by the commission to have a confidential relationship to the commission or the council; and any employee of the commission expressly exempted from the classified service by law. Each code shall also include procedures for open competitive examinations

to test the relative skill or ability of all applicants for positions in the classified service. Such examinations may consist of written or oral tests of the subjective or objective type, physical tests, and practical or demonstration tests for the evaluation of past training and experience. Oral tests may be used to test the applicant's knowledge of the position applied for or personal fitness for the position. Where there is more than one applicant for a position, each code shall provide for the employment of one of the three applicants best qualified for it.

(c) When a commission employee has been demoted, suspended or dismissed by the chief administrator, the employee may, within 30 days after such action becomes effective, file with the commission a written request for a hearing showing the position from which the employee was dismissed, the date of dismissal, and the reason for requesting the hearing, full name and present mailing address. Upon receipt of a request for a hearing the commission shall appoint three of its members to act as an appeal committee and preside at a hearing on the action of the administrator. The hearing shall be held within 30 days after the request is received by the commission, upon written notice mailed or delivered to the employee at the employee's present mailing address, not less than seven days before the hearing. The appeal committee shall approve or disapprove the action of the administrator, and in the case of approval the action of the administrator shall be final. In the case of disapproval the appeal committee may reinstate the employee under such conditions as it deems proper, and may order the payment to the employee of compensation lost as a result of the demotion, suspension or dismissal.

Sec. 2. [473.142] [SOCIALY AND ECONOMICALLY DISADVANTAGED BUSINESSES.]

(a) *The metropolitan council and agencies specified in section 3, subdivision 1, shall attempt to award at least nine percent of the value of all procurement, other than contracts under clause (c), to businesses owned and operated by socially or economically disadvantaged persons. For purposes of this section, "socially or economically disadvantaged person" means a person who has been deprived of the opportunity to develop and maintain a competitive position in the economy because of social or economic conditions. This disadvantage may arise from cultural, social or economic circumstances, background, or other similar cause. It includes racial minorities, women, persons with a disability as defined in section 363.01, subdivision 25, sheltered workshops, and work activity programs. To the extent practicable, the council and agencies shall attempt to meet this goal through procurement from businesses with their principal place of business in Minnesota. In furtherance of this goal, the council or an agency shall set aside a percentage of all procurements for bidding only by these businesses. The council or an agency may also award a five percent preference to these businesses in the amount bid on selected procurements.*

(b) *The council and each agency specified in section 3, subdivision 1, as a condition of awarding procurements for construction, consultant, professional, or technical service contracts in excess of \$200,000, shall attempt to assure that at least ten percent of the contract award to a prime contractor be subcontracted to a business owned and operated by a socially or economically disadvantaged person, or that at least ten percent of the contract award be expended in purchasing materials or supplies from this type of business. This paragraph does not apply if the council or agency determines that there is no business owned and operated by a socially or*

economically disadvantaged person able to perform the subcontract or provide the supplies. Subcontracting or purchasing of supplies under this subdivision is not included in determining achievement of goals under paragraph (a) or (c).

(c) The council and each agency specified in section 4, subdivision 1, shall attempt to award at least six percent of the value of all procurements for consultant services or professional or technical services to businesses owned and operated by socially or economically disadvantaged persons.

(d) The council and each agency may adopt rules to implement this section.

(e) This section does not apply to procurement financed in whole or in part with federal funds if the procurement is subject to federal disadvantaged business enterprise regulations. The council and each agency shall report annually to the legislature on compliance with this subdivision. The reports must include the information specified in section 16B.21.

Sec. 3. [473.143] [AFFIRMATIVE ACTION PLANS.]

Subdivision 1. [APPLICATION.] For purposes of this section, "agency" means a metropolitan agency as defined in section 473.121, except the metropolitan parks and open space commission. Agency also means the metropolitan mosquito control commission. For purposes of this section, "commissioner" means the commissioner of the state department of employee relations.

Subd. 2. [DEVELOPMENT AND CONTENTS.] The council and each agency shall develop an affirmative action plan and submit its plan to the commissioner for approval. The commissioner may not approve a plan unless the commissioner determines that it will be effective in assuring that employment positions are equally accessible to all qualified persons, in eliminating the underutilization of qualified members of protected groups, in providing a supportive work environment to all employees, regardless of race, religion, sex, national origin, or disability, and in dealing with discrimination complaints. For purposes of this section, "protected group" has the meaning given it in section 43A.02, subdivision 33. A plan must contain at least the elements required in this subdivision.

(a) It must identify protected groups that are underrepresented in the council's or agency's work force.

(b) It must designate a person responsible for directing and implementing the affirmative action program and assign the specific responsibilities and duties of that person. The person responsible for implementing the program shall report directly to the council's or agency's chief executive officer regarding the person's affirmative action duties. The person responsible for the affirmative action program shall review examination and other selection criteria to assure compliance with law. This person shall be involved in the filling of all vacancies in the council or agency work force, to the extent necessary to facilitate attainment of affirmative action goals.

(c) It must describe the methods by which the plan will be communicated to employees and to other persons.

(d) It must describe methods for recruiting members of protected groups. These methods may include internship programs, cooperation with union apprenticeship programs, and other steps necessary to expand the number of protected group members in applicant pools.

(e) It must describe internal procedures in accordance with this paragraph for processing complaints of alleged discrimination from job applicants and employees. The procedures must provide for an initial determination of whether the complaint is properly a discrimination complaint subject to the procedure under the affirmative action plan. Complaints filed under the discrimination procedures that allege reprisals against an employee for opposing a forbidden practice or for filing a charge, testifying, or participating in an investigation, proceeding, or hearing relating to a forbidden practice are appealable to the chief executive officer of the council or agency. Procedures under this paragraph must be distinct from any procedures available under a union contract or personnel policy for nondiscrimination complaints. Use of procedures developed under this paragraph is not a prerequisite to filing charges with a governmental enforcement agency, nor does it limit a person's right to file these charges.

(f) It must set goals and timetables to eliminate underutilization of members of each protected group in the council or agency work force.

(g) It must provide a plan for retaining and promoting protected group members in the council or agency work force. This plan should encourage training opportunities for protected group members, to the extent necessary to eliminate underutilization in specific parts of the work force.

(h) It must describe methods of auditing, evaluating, and reporting program success, including a procedure that requires a preemployment review of all hiring decisions for occupational groups with unmet affirmative action goals.

(i) It must provide for training of management and supervisory personnel in implementation of the plan and in dealing with alleged acts of discrimination in the workplace.

(j) It must provide for periodic surveying of the council or agency work force to determine employee attitudes toward implementation of the plan.

(k) It must provide for creation of an employee committee to advise on implementation of the plan and on any changes needed in the plan.

Subd. 3. [HARASSMENT.] The council and each agency shall adopt written policies forbidding harassment based on sex, disability, or race in their workplaces and establishing implementation plans and grievance procedures to deal with complaints of harassment based on sex, disability, or race.

Subd. 4. [PERFORMANCE EVALUATION.] The evaluation of the performance of each supervisory and managerial employee of the council and the agencies must include evaluation of the person's performance in implementing the council's or agency's affirmative action plan and in preventing forbidden discrimination in the workplace.

Subd. 5. [REPORT.] By March 1 each year, the commissioner shall report to the legislature on affirmative action progress of the council and of each agency. The report must include:

(1) an audit of the record of the council and each agency to determine compliance with affirmative action goals and to evaluate overall progress in attainment of overall affirmative actions objectives;

(2) if the council or any agency has failed to make satisfactory progress toward its affirmative action goals, a list of unmet goals and an analysis

of why the failure occurred;

(3) a summary of all personnel actions taken by the council and each agency during the past calendar year, categorized by occupational group, protected group status, and full-time, part-time, temporary, and seasonal status; and

(4) a summary of discrimination complaints and lawsuits against the council and each agency filed or resolved during the past calendar year, including the basis for the complaints and lawsuits.

The council and each agency shall report to the commissioner all information that the commissioner requests to make the report required by this subdivision. In providing this information, the council and agencies are not required to reveal information that is not public data under chapter 13.

The council and each agency shall submit these reports at the time and in the manner requested by the commissioner. The commissioner shall report to the legislature and the task force created in section 1 on the failure of the council or an agency to file the required report in a timely manner.

Subd. 6. [COORDINATION.] The commissioner or a designee shall meet with affirmative action officers of the council and all of the agencies to share successful techniques and foster innovative means to implement affirmative action plans and eliminate discrimination in the workplace.

Sec. 4. [473.144] [CERTIFICATES OF COMPLIANCE FOR CONTRACTS.]

Neither the council nor an agency listed in section 3, subdivision 1, may accept any bid or proposal for a contract or execute a contract for goods or services in excess of \$50,000 with any business having more than 20 full-time employees in Minnesota at any time during the previous 12 months, unless the business has an affirmative action plan for the employment of minority persons, women, and the disabled that has been approved by the commissioner of human rights. Receipt of a certificate of compliance from the commissioner of human rights signifies that a business has an approved affirmative action plan. A certificate is valid for two years. Section 363.073 governs revocation of certificates. The rules adopted by the commissioner of human rights under section 363.074 apply to this section.

Sec. 5. Minnesota Statutes 1986, section 473.406, subdivision 2, is amended to read:

Subd. 2. [SET-ASIDES.] The metropolitan transit commission ~~may, on a fiscal year basis, designate and set aside for awarding to~~ shall comply with the requirements of section 2 relating to procurement from business entities controlled by socially or economically disadvantaged persons or handicapped persons, or for awarding to business entities which guarantee the use of subcontractors controlled by socially or economically disadvantaged persons or handicapped persons, approximately five percent of the value of its anticipated total procurement of goods and services, including construction. The failure of the commission to set aside particular procurements shall not be deemed to prohibit or discourage business entities controlled by socially or economically disadvantaged persons or handicapped persons from seeking the procurement award through the normal solicitation and bidding processes.

Sec. 6. Minnesota Statutes 1986, section 473.406, subdivision 5, is amended to read:

Subd. 5. [RECOURSE TO OTHER BUSINESSES.] If this section ~~does and section 2 do~~ not operate to extend a contract award to a business entity controlled by socially or economically disadvantaged persons ~~or handicapped persons~~, the award shall be placed pursuant to the normal solicitation and award procedures set forth in section 471.345.

Sec. 7. Minnesota Statutes 1986, section 473.406, subdivision 6, is amended to read:

Subd. 6. [RULES.] The commission shall promulgate by rule standards and procedures for certifying that business entities eligible to participate in the ~~set-aside program authorized in~~ *required by* this section *and section 2* are controlled by socially or economically disadvantaged persons ~~or handicapped persons~~. The commission shall promulgate other rules as may be necessary or advisable to carry out the provisions of this section *and section 2*.

Sec. 8. Minnesota Statutes 1986, section 473.406, subdivision 7, is amended to read:

Subd. 7. [OTHER LAWS SUPERSEDED.] In the event of conflict with other laws or rules, the provisions of this section *and section 2* and rules promulgated pursuant to ~~it~~ *them* shall govern.

Sec. 9. [EFFECTIVE DATE.]

Sections 1 to 8 apply in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington. Sections 2, 5, and 6 apply only to contracts for which notice of invitation to bid or requests for proposals are issued after the effective date of the section."

Delete the title and insert:

"A bill for an act relating to metropolitan government; prescribing the contents of affirmative action plans for metropolitan agencies and a process for approval and reporting of those plans; requiring purchases from businesses owned by socially or economically disadvantaged persons; amending Minnesota Statutes 1986, sections 473.141, subdivision 9; and 473.406, subdivisions 2, 5, 6, and 7; proposing coding for new law in Minnesota Statutes, chapter 473."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2272 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
				2272	1687

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2272 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2272 and insert the language after the enacting clause of S.F. No. 1687, the first engrossment; further, delete the title of H.F. No. 2272 and insert the title of S.F. No. 1687, the first engrossment.

And when so amended H.F. No. 2272 will be identical to S.F. No. 1687, and further recommends that H.F. No. 2272 be given its second reading and substituted for S.F. No. 1687, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2419 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
				2419	2156

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2568 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2568	2345				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2568 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2568 and insert the language after the enacting clause of S.F. No. 2345, the first engrossment; further, delete the title of H.F. No. 2568 and insert the title of S.F. No. 2345, the first engrossment.

And when so amended H.F. No. 2568 will be identical to S.F. No. 2345, and further recommends that H.F. No. 2568 be given its second reading and substituted for S.F. No. 2345, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2185 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2185	2199				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2185 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2185 and insert the language after the enacting clause of S.F. No. 2199, the first engrossment; further, delete the title of H.F. No. 2185 and insert the title of S.F. No. 2199, the first engrossment.

And when so amended H.F. No. 2185 will be identical to S.F. No. 2199, and further recommends that H.F. No. 2185 be given its second reading and substituted for S.F. No. 2199, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2470 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2470	2472				

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1971 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1971	2068				

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2422 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2422	2278				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2422 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2422 and insert the language after the enacting clause of S.F. No. 2278; further, delete the title of H.F. No. 2422 and insert the title of S.F. No. 2278.

And when so amended H.F. No. 2422 will be identical to S.F. No. 2278, and further recommends that H.F. No. 2422 be given its second reading and substituted for S.F. No. 2278, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 453 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
453	722				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 453 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 453 and insert the language after the enacting clause of S.F. No. 722, the first engrossment; further, delete the title of H.F. No. 453 and insert the title of S.F. No. 722, the first engrossment.

And when so amended H.F. No. 453 will be identical to S.F. No. 722, and further recommends that H.F. No. 453 be given its second reading and substituted for S.F. No. 722, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2224 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2224	2170				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2224 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2224 and insert the language after the enacting clause of S.F. No. 2170, the first engrossment; further, delete the title of H.F. No. 2224 and insert the title of S.F. No. 2170, the first engrossment.

And when so amended H.F. No. 2224 will be identical to S.F. No. 2170, and further recommends that H.F. No. 2224 be given its second reading and substituted for S.F. No. 2170, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. No. 2513 was read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 2272, 2419, 2568, 2185, 2470, 1971, 2422, 453 and 2224 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Vickerman introduced—

Senate Resolution No. 125: A Senate resolution congratulating the Tracy/Milroy Panthers Girls Basketball Team for winning the 1988 State High School Class A Girls Basketball Championship.

Referred to the Committee on Rules and Administration.

Mr. Vickerman introduced—

Senate Resolution No. 126: A Senate resolution congratulating the Storden-Jeffers High School Chiefs for winning Second Place in the 1988 State High School Class A Girls Basketball Tournament.

Referred to the Committee on Rules and Administration.

Mr. Johnson, D.E. introduced—

Senate Resolution No. 127: A Senate resolution congratulating the New London-Spicer Wildcats for winning Third Place in the 1988 State High School Class A Girls Basketball Tournament.

Referred to the Committee on Rules and Administration.

Mr. Moe, R.D. introduced—

Senate Concurrent Resolution No. 25: A Senate concurrent resolution relating to adjournment for more than three days.

BE IT RESOLVED, by the Senate of the State of Minnesota, the House of Representatives concurring:

1. Upon its adjournment on Wednesday, March 30, 1988, the Senate may set its next day of meeting for Tuesday, April 5, 1988.

2. Upon its adjournment on Wednesday, March 30, 1988, the House of Representatives may set its next day of meeting for Tuesday, April 5, 1988.

3. Pursuant to the Minnesota Constitution, Article IV, Section 12, the Senate and House of Representatives each consents to the adjournment of the other for more than three days.

Mr. Moe, R.D. moved the adoption of the foregoing resolution. The motion prevailed. So the resolution was adopted.

SUSPENSION OF RULES

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the Calendar and that the rules of the Senate be so far suspended as to waive the lie-over requirement. The motion prevailed.

CALENDAR

H.F. No. 2190: A bill for an act relating to local government; permitting certain cities and towns to contribute to a hospital.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.J.	Mehrkens	Reichgott
Anderson	Davis	Jude	Merriam	Samuelson
Beckman	Decker	Knaak	Metzen	Schmitz
Belanger	DeCramer	Knutson	Moe, D.M.	Solon
Benson	Dicklich	Kroening	Moe, R.D.	Spear
Berg	Diessner	Laidig	Morse	Storm
Berglin	Frank	Langseth	Olson	Stumpf
Bernhagen	Frederick	Lantry	Pehler	Taylor
Bertram	Frederickson, D.J.	Larson	Peterson, D.C.	Vickerman
Brandl	Frederickson, D.R.	Lessard	Peterson, R.W.	Waldorf
Brataas	Gustafson	Luther	Piper	Wegscheid
Chmielewski	Hughes	Marty	Purfeerst	
Cohen	Johnson, D.E.	McQuaid	Ramstad	

So the bill passed and its title was agreed to.

H.F. No. 2155: A bill for an act relating to natural resources; revising provisions relating to the Heartland Trail; establishing the Paul Bunyan Trail; amending Minnesota Statutes 1986, section 85.015, subdivision 12, and by adding a subdivision.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.J.	Mehrkens	Ramstad
Anderson	Davis	Jude	Merriam	Reichgott
Beckman	Decker	Knaak	Metzen	Samuelson
Belanger	DeCramer	Knutson	Moe, D.M.	Schmitz
Benson	Dicklich	Kroening	Moe, R.D.	Solon
Berg	Diessner	Laidig	Morse	Spear
Berglin	Frank	Langseth	Novak	Storm
Bernhagen	Frederick	Lantry	Olson	Stumpf
Bertram	Frederickson, D.J.	Larson	Pehler	Taylor
Brandl	Frederickson, D.R.	Lessard	Peterson, D.C.	Vickerman
Brataas	Gustafson	Luther	Peterson, R.W.	Waldorf
Chmielewski	Hughes	Marty	Piper	Wegscheid
Cohen	Johnson, D.E.	McQuaid	Purfeerst	

So the bill passed and its title was agreed to.

S.F. No. 1573: A bill for an act relating to game and fish; removing an age minimum from the law governing issuance of turkey licenses; allowing physically disabled persons to use a crossbow to take small game; regulating hunting by residents with a firearms safety certificate; amending Minnesota Statutes 1986, sections 97A.435, subdivision 2; 97A.451, subdivision 3; and 97B.015, subdivision 5; Minnesota Statutes 1987 Supplement, sections 97B.035, subdivision 1; 97B.315; proposing coding for new law in Minnesota Statutes, chapter 97B.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.J.	Mehrkens	Purfeerst
Anderson	Davis	Jude	Merriam	Ramstad
Beckman	Decker	Knaak	Metzen	Reichgott
Belanger	DeCramer	Knutson	Moe, D.M.	Samuelson
Benson	Dicklich	Kroening	Moe, R.D.	Schmitz
Berg	Frank	Laidig	Morse	Solon
Berglin	Frederick	Langseth	Novak	Spear
Bernhagen	Frederickson, D.J.	Lantry	Olson	Storm
Bertram	Frederickson, D.R.	Larson	Pehler	Stumpf
Brandl	Freeman	Lessard	Peterson, D.C.	Taylor
Brataas	Gustafson	Luther	Peterson, R.W.	Vickerman
Chmielewski	Hughes	Marty	Piper	Waldorf
Cohen	Johnson, D.E.	McQuaid	Pogemiller	Wegscheid

So the bill passed and its title was agreed to.

S.F. No. 1582: A bill for an act relating to marriage dissolution; providing for child support and maintenance enforcement; specifying conditions for judgment by operation of law; amending Minnesota Statutes 1986, sections 256.87, subdivisions 1, 1a, and 6; 257.66, subdivision 5; 518.55, subdivision 2, and by adding a subdivision; 518.551, subdivision 9; 518C.17,

subdivision 1; 548.091, subdivisions 2, 3, and by adding subdivisions; and Minnesota Statutes 1987 Supplement, section 548.091, subdivision 1.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Metzen	Reichgott
Anderson	Decker	Jude	Moe, D.M.	Samuelson
Beckman	DeCramer	Knaak	Moe, R.D.	Schmitz
Belanger	Dicklich	Kroening	Morse	Solon
Benson	Diessner	Laidig	Novak	Spear
Berg	Frank	Langseth	Olson	Storm
Berglin	Frederick	Lantry	Pehler	Stumpf
Bernhagen	Frederickson, D.J.	Larson	Peterson, D.C.	Taylor
Bertram	Frederickson, D.R.	Luther	Peterson, R.W.	Vickerman
Brandl	Freeman	Marty	Piper	Waldorf
Brataas	Gustafson	McQuaid	Pogemiller	Wegscheid
Cohen	Hughes	Mehrkens	Purfeerst	
Dahl	Johnson, D.E.	Merriam	Ramstad	

Mr. Lessard voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 2491: A bill for an act relating to metropolitan government; establishing various requirements on agency organization, work programs, budgets, and reports; amending Minnesota Statutes 1986, sections 473.13, subdivision 1, and by adding a subdivision; 473.146, subdivision 3; 473.173, subdivision 6; 473.38, by adding a subdivision; Minnesota Statutes 1987 Supplement, section 473.1623, subdivisions 4 and 6.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 3, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Mehrkens	Ramstad
Anderson	Decker	Jude	Metzen	Reichgott
Beckman	DeCramer	Knaak	Moe, D.M.	Renneke
Benson	Dicklich	Knutson	Moe, R.D.	Samuelson
Berg	Diessner	Kroening	Morse	Schmitz
Berglin	Frank	Laidig	Novak	Solon
Bernhagen	Frederick	Langseth	Olson	Spear
Bertram	Frederickson, D.J.	Lantry	Pehler	Stumpf
Brandl	Frederickson, D.R.	Larson	Peterson, D.C.	Taylor
Brataas	Freeman	Lessard	Peterson, R.W.	Vickerman
Chmielewski	Gustafson	Luther	Piper	Waldorf
Cohen	Hughes	Marty	Pogemiller	Wegscheid
Dahl	Johnson, D.E.	McQuaid	Purfeerst	

Messrs. Belanger, Merriam and Storm voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 1610: A bill for an act relating to advertising devices; providing for specific service signs relating to rural agricultural businesses and places of worship to be displayed along highways; amending Minnesota Statutes 1986, sections 160.292, subdivisions 2 and 10; 160.293, subdivisions 1 and 3; and 160.295, by adding a subdivision.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Metzen	Renneke
Anderson	Decker	Knaak	Moe, D.M.	Samuelson
Beckman	DeCramer	Knutson	Moe, R.D.	Schmitz
Belanger	Dicklich	Kroening	Morse	Solon
Benson	Diessner	Laidig	Novak	Spear
Berg	Frank	Langseth	Olson	Storm
Berglin	Frederick	Lantry	Pehler	Stumpf
Bernhagen	Frederickson, D.J.	Larson	Peterson, D.C.	Taylor
Bertram	Frederickson, D.R.	Lessard	Peterson, R.W.	Vickerman
Brandl	Freeman	Luther	Piper	Waldorf
Brataas	Gustafson	Marty	Pogemiller	Wegscheid
Chmielewski	Hughes	McQuaid	Purfeerst	
Cohen	Johnson, D.E.	Mehrkens	Ramstad	
Dahl	Johnson, D.J.	Merriam	Reichgott	

So the bill passed and its title was agreed to.

S.F. No. 2525: A resolution memorializing the President and Congress of the United States to enact a program of national health insurance.

Was read the third time and placed on its final passage.

The question was taken on the passage of the resolution.

The roll was called, and there were yeas 43 and nays 22, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Kroening	Morse	Samuelson
Beckman	Diessner	Lantry	Novak	Schmitz
Berglin	Frank	Lessard	Pehler	Solon
Brandl	Frederickson, D.J.	Luther	Peterson, D.C.	Spear
Chmielewski	Freeman	Marty	Peterson, R.W.	Stumpf
Cohen	Gustafson	Merriam	Piper	Vickerman
Dahl	Hughes	Metzen	Pogemiller	Waldorf
Davis	Johnson, D.J.	Moe, D.M.	Purfeerst	
DeCramer	Jude	Moe, R.D.	Reichgott	

Those who voted in the negative were:

Anderson	Bertram	Johnson, D.E.	Larson	Renneke
Belanger	Brataas	Knaak	McQuaid	Storm
Benson	Decker	Knutson	Mehrkens	
Berg	Frederick	Laidig	Olson	
Bernhagen	Frederickson, D.R.	Langseth	Ramstad	

So the resolution passed and its title was agreed to.

S.F. No. 1788: A bill for an act relating to the office of the secretary of state; providing for the simplification of various filings with that office; eliminating certain filings; eliminating the requirement that documents be notarized, verified, or acknowledged; reducing the number of signatures required; setting fees for copies of documents filed with the office of the secretary of state; permitting the correction of documents; setting fees for various filings; allowing the annual registration to fulfill the requirement that an active status report be filed; conforming the business corporation act to the uniform fraudulent conveyances act; increasing the penalties for failure to file an assumed business name; changing the time period during which audits of legal newspapers may occur; amending Minnesota Statutes 1986, sections 5.12; 300.025; 300.49; 302A.115, subdivisions 1 and 7;

302A.551, subdivision 3; 302A.821, subdivision 1; 303.06; 303.10, subdivision 2; 303.11; 303.14, subdivisions 1 and 3; 303.16, subdivision 3; and by adding a subdivision; 306.70; 306.74; 308.06; 308.14, subdivisions 2 and 4; 308.15, subdivisions 1 and 4; 308.59; 317.04; subdivision 3; 317.08, subdivision 1; 317.27, subdivisions 1 and 5; 317.33; 317.35; 317.45, subdivision 4; 318.02, subdivision 1; 322A.12; 322A.14; 322A.73; 322A.74; 333.01; 333.055, subdivisions 1 and 4; 333.06; 333.20, subdivision 2; 333.22, subdivision 2; 333.23; Minnesota Statutes 1987 Supplement, sections 302A.011, subdivision 11; 302A.139; 302A.615, subdivision 1; 308.58, subdivision 2; 322A.70; and 331A.02, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 5.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Metzen	Samuelson
Anderson	Decker	Knaak	Moe, D.M.	Schmitz
Beckman	DeCramer	Knutson	Moe, R.D.	Solon
Belanger	Dicklich	Kroening	Morse	Spear
Benson	Diessner	Laidig	Novak	Storm
Berg	Frank	Langseth	Pehler	Stumpf
Berglin	Frederick	Lantry	Peterson, D.C.	Taylor
Bernhagen	Frederickson, D.J.	Larson	Peterson, R.W.	Vickerman
Bertram	Frederickson, D.R.	Lessard	Piper	Waldorf
Brandl	Freeman	Luther	Pogemiller	Wegscheid
Brataas	Gustafson	Marty	Purfeerst	
Chmielewski	Hughes	McQuaid	Ramstad	
Cohen	Johnson, D.E.	Mehrkens	Reichgott	
Dahl	Johnson, D.J.	Merriam	Renneke	

So the bill passed and its title was agreed to.

S.F. No. 1540: A bill for an act relating to the sentencing guidelines commission; changing the membership of the commission; amending Minnesota Statutes 1987 Supplement, section 244.09, subdivision 2.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Metzen	Renneke
Anderson	Decker	Knaak	Moe, D.M.	Samuelson
Beckman	DeCramer	Knutson	Moe, R.D.	Schmitz
Belanger	Dicklich	Kroening	Morse	Solon
Benson	Diessner	Laidig	Novak	Spear
Berg	Frank	Langseth	Olson	Storm
Berglin	Frederick	Lantry	Pehler	Stumpf
Bernhagen	Frederickson, D.J.	Larson	Peterson, D.C.	Taylor
Bertram	Frederickson, D.R.	Lessard	Peterson, R.W.	Vickerman
Brandl	Freeman	Luther	Piper	Waldorf
Brataas	Gustafson	Marty	Pogemiller	Wegscheid
Chmielewski	Hughes	McQuaid	Purfeerst	
Cohen	Johnson, D.E.	Mehrkens	Ramstad	
Dahl	Johnson, D.J.	Merriam	Reichgott	

So the bill passed and its title was agreed to.

S.F. No. 2071: A bill for an act relating to crimes; requiring a neighborhood impact statement to be submitted as part of the presentence investigation report for controlled substance offenses; amending Minnesota Statutes 1987 Supplement, section 609.115, subdivision 1.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 3, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	Mehrkens	Reichgott
Anderson	Davis	Johnson, D.J.	Merriam	Renneke
Beckman	Decker	Jude	Metzen	Samuelson
Belanger	DeCramer	Knaak	Moe, R.D.	Schmitz
Benson	Dicklich	Kroening	Morse	Solon
Berg	Diessner	Laidig	Novak	Spear
Berglin	Frank	Langseth	Olson	Storm
Bernhagen	Frederick	Lantry	Pehler	Stumpf
Bertram	Frederickson, D.J.	Larson	Peterson, D.C.	Taylor
Brandl	Frederickson, D.R.	Lessard	Piper	Vickerman
Brataas	Freeman	Luther	Pogemiller	Waldorf
Chmielewski	Gustafson	Marty	Purfeerst	
Cohen	Hughes	McQuaid	Ramstad	

Messrs. Knutson; Moe, D.M. and Peterson, R.W. voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 752: A bill for an act relating to occupations and professions; amending the laws regulating the practice of pharmacy; providing definitions; providing for registration of pharmacies, drug manufacturers, and others; providing for licensing of pharmacists; providing remedies for violations; amending Minnesota Statutes 1986, sections 151.01, subdivision 2, and by adding subdivisions; 151.04; 151.06, subdivision 1; 151.101; 151.15; 151.19; 151.211; 151.212, subdivision 1, and by adding a subdivision; 151.25; 151.26, subdivision 1; 151.32; 151.34; and 151.37; proposing coding for new law in Minnesota Statutes, chapter 151; repealing Minnesota Statutes 1986, sections 151.01, subdivision 4; 151.06, subdivision 2a; 151.11; 151.28; and 151.31.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Metzen	Renneke
Anderson	Decker	Knaak	Moe, D.M.	Samuelson
Beckman	DeCramer	Knutson	Moe, R.D.	Schmitz
Belanger	Dicklich	Kroening	Morse	Solon
Benson	Diessner	Laidig	Novak	Spear
Berg	Frank	Langseth	Olson	Storm
Berglin	Frederick	Lantry	Pehler	Stumpf
Bernhagen	Frederickson, D.J.	Larson	Peterson, D.C.	Taylor
Bertram	Frederickson, D.R.	Lessard	Peterson, R.W.	Vickerman
Brandl	Freeman	Luther	Piper	Waldorf
Brataas	Gustafson	Marty	Pogemiller	Wegscheid
Chmielewski	Hughes	McQuaid	Purfeerst	
Cohen	Johnson, D.E.	Mehrkens	Ramstad	
Dahl	Johnson, D.J.	Merriam	Reichgott	

So the bill passed and its title was agreed to.

S.F. No. 2185: A bill for an act relating to the organization of state government; restoring certain duties of the state treasurer; amending Minnesota Statutes 1986, sections 11A.20, subdivision 1; 16A.055, subdivision 1; 16A.42, subdivision 2, and by adding a subdivision; 16A.45, subdivision 2; 16A.47; 16A.58; 16A.672, subdivisions 1, 2, and 3; 69.031, by adding a subdivision; 268.05, subdivision 2; 361.03, subdivision 5; and 361.27, subdivision 2; Minnesota Statutes 1987 Supplement, sections 16A.275, subdivision 1; and 609.101; proposing coding for new law in Minnesota Statutes, chapter 7.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 4, as follows:

Those who voted in the affirmative were:

Adkins	Decker	Jude	Metzen	Reichgott
Anderson	DeCramer	Knutson	Moe, D.M.	Renneke
Beckman	Dicklich	Kroening	Moe, R.D.	Samuelson
Berg	Diessner	Laidig	Morse	Schmitz
Berglin	Frank	Langseth	Novak	Solon
Bernhagen	Frederick	Lantry	Olson	Spear
Bertram	Frederickson, D.J.	Larson	Pehler	Stumpf
Brandl	Frederickson, D.R.	Lessard	Peterson, D.C.	Taylor
Brataas	Freeman	Luther	Peterson, R.W.	Vickerman
Chmielewski	Gustafson	Marty	Piper	Waldorf
Cohen	Hughes	McQuaid	Pogemiller	Wegscheid
Dahl	Johnson, D.E.	Mehrkens	Purfeerst	
Davis	Johnson, D.J.	Merriam	Ramstad	

Messrs. Belanger, Benson, Knaak and Storm voted in the negative.

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the Consent Calendar. The motion prevailed.

CONSENT CALENDAR

H.F. No. 1961: A bill for an act relating to property interests; setting the effective date of the uniform statutory rule against perpetuities; amending Minnesota Statutes 1987 Supplement, section 501A.05; and Laws 1987, chapter 60, section 10.

Mr. Luther moved that the amendment made to H.F. No. 1961 by the Committee on Rules and Administration in the report adopted March 17, 1988, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

H.F. No. 1961 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knutson	Moe, R.D.	Samuelson
Anderson	Decker	Kroening	Morse	Schmitz
Beckman	Dicklich	Laidig	Novak	Solon
Belanger	Frank	Langseth	Olson	Spear
Benson	Frederick	Lantry	Pehler	Storm
Berg	Frederickson, D.J.	Larson	Peterson, D.C.	Stumpf
Berglin	Frederickson, D.R.	Lessard	Peterson, R.W.	Taylor
Bernhagen	Freeman	Luther	Piper	Vickerman
Bertram	Gustafson	Marty	Pogemiller	Waldorf
Brandl	Hughes	McQuaid	Purfeerst	Wegscheid
Chmielewski	Johnson, D.J.	Mehrkens	Ramstad	
Cohen	Jude	Merriam	Reichgott	
Dahl	Knaak	Moe, D.M.	Renneke	

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate proceeded to the Order of Business of Introduction and First Reading of Senate Bills.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bill was read the first time and referred to the committee indicated.

Mr. Metzen introduced—

S.F. No. 2564: A bill for an act relating to taxation; income; restoring the pension exclusion and repealing the credit for elderly and disabled persons; amending Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19b; proposing coding for new law in Minnesota Statutes, chapter 290; repealing Minnesota Statutes 1987 Supplement, section 290.06, subdivision 20.

Referred to the Committee on Taxes and Tax Laws.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the General Orders Calendar. The motion prevailed.

GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Hughes in the chair.

After some time spent therein, the committee arose, and Mr. Hughes reported that the committee had considered the following:

S.F. Nos. 1819, 1885, 2402, 1827, 1060, 1727 and H.F. No. 1904, which the committee recommends to pass.

S.F. No. 1834, which the committee recommends to pass with the following amendment offered by Mr. Bertram:

Page 1, line 15, delete "*protective*" and insert "*protection*"

Page 1, line 24, delete "PROHIBITED" and insert "LIMITED"

Page 1, line 25, after "*standby*" insert "*fee or*"

Page 1, line 26, before the period, insert "*that is in addition to the fee or charge for water actually used and beyond the actual cost to the utility of providing installation, inspection, and maintenance for the system*".

Page 2, after line 3, insert:

"Subd. 3. [APPEAL.] *An owner of a structure containing a fire protection system may appeal to the water utility any amount charged that is in violation of this section.*"

The motion prevailed. So the amendment was adopted.

S.F. No. 2021, which the committee recommends to pass with the following amendments offered by Messrs. Morse and Berg:

Mr. Morse moved to amend S.F. No. 2021 as follows:

Page 2, line 9, after "*subsidy*" insert "*and the total amount from the general account designated for that office in the district must be distributed to the other candidates for the same office in the district who have signed an agreement to be bound by the limits and are eligible to receive money from the general account*".

Page 2, after line 9, insert:

"Sec. 3. Minnesota Statutes 1986, section 10A.31, subdivision 5, is amended to read:

Subd. 5. In each calendar year the moneys in each party account and the general account shall be allocated to candidates as follows:

- (1) 21 percent for the offices of governor and lieutenant governor together;
- (2) 3.6 percent for the office of attorney general;
- (3) 1.8 percent each for the offices of secretary of state, state auditor and state treasurer;
- (4) In each calendar year during the period in which state senators serve a four-year term, 23-1/3 percent for the office of state senator and 46-2/3 percent for the office of state representative;

(5) In each calendar year during the period in which state senators serve a two-year term, 35 percent each for the offices of state senator and state representative;

(6) To assure that moneys will be returned to the counties from which they were collected, and to assure that the distribution of those moneys rationally relates to the support for particular parties or for particular candidates within legislative districts, moneys from the party accounts for legislative candidates shall be distributed as follows:

Each candidate for the state senate and state house of representatives whose name is to appear on the ballot in the general election shall receive money from the candidate's party account set aside for candidates of the state senate or state house of representatives, whichever applies, according to the following formula:

For each county within the candidate's district the candidate's share of the dollars allocated in that county to the candidate's party account and set aside for that office shall be:

(a) The sum of the votes cast in the last general election in that part of the county in the candidate's district for all candidates of that candidate's

party (i) whose names appeared on the ballot in each voting precinct of the state and (ii) for the state senate and state house of representatives, divided by

(b) The sum of the votes cast in that county in the last general election for all candidates of that candidate's party (i) whose names appeared on the ballot in each voting precinct in the state and (ii) for the state senate and state house of representatives, multiplied by

(c) The amount in the candidate's party account allocated in that county and set aside for the candidates for the office for which the candidate is running.

The sum of all the county shares calculated in the formula above is the candidate's share of the candidate's party account.

In a year in which an election for the state senate occurs, with respect to votes for candidates for the state senate only, "last general election" means the last general election in which an election for the state senate occurred.

For any party under whose name no candidate's name appeared on the ballot in each voting precinct in the state in the last general election, amounts in the party's account shall be allocated based on (a) the number of people voting in the last general election in that part of the county in the candidate's district, divided by (b) the number of the people voting in that county in the last general election, multiplied by (c) the amount in the candidate's party account allocated in that county and set aside for the candidates for the office for which the candidate is running.

In a year in which the first election after a legislative reapportionment is held, "the candidate's district" means the newly drawn district, and voting data from the last general election will be applied to the area encompassing the newly drawn district notwithstanding that the area was in a different district in the last general election.

If in a district there was no candidate of a party for the state senate or state house of representatives in the last general election, or if a candidate for the state senate or state house of representatives was unopposed, the vote for that office for that party shall be the average vote of all the remaining candidates of that party in each county of that district whose votes are included in the sums in clauses (a) and (b). The average vote shall be added to the sums in clauses (a) and (b) before the calculation is made for all districts in the county.

Money from a party account not distributed to candidates for state senator and representative in any election year shall be returned to the general fund of the state. Money from a party account not distributed to candidates for other offices in an election year shall be returned to the party account for reallocation to candidates as provided in clauses (1) to (6) of this subdivision in the following year. Moneys from the general account refused by ~~any a~~ candidate ~~shall~~ *must* be distributed to ~~all other qualifying candidates in proportion to their shares as provided in this subdivision the other candidates for the same office in the district who have signed an agreement to be bound by the limits and are eligible to receive money from the general account.~~

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "providing for the distribution

of money from the general account of the state elections campaign fund;"

Page 1, line 6, delete "and" and after "10" insert "; and 10A.31, subdivision 5"

Mr. Frederick moved to amend the Morse amendment to S.F. No. 2021 as follows:

Page 1, line 5, after "district" insert "other than an incumbent of that office"

Page 3, line 24, after "district" insert "other than an incumbent for the same office"

The question was taken on the adoption of the amendment to the amendment.

The roll was called, and there were yeas 23 and nays 36, as follows:

Those who voted in the affirmative were:

Anderson	Brataas	Frederickson, D.R.	Larson	Samuelson
Belanger	Dahl	Gustafson	McQuaid	Storm
Benson	Decker	Knaak	Olson	Taylor
Berg	Frank	Knutson	Ramstad	
Bernhagen	Frederick	Laidig	Renneke	

Those who voted in the negative were:

Adkins	Dicklich	Lantry	Peterson, D.C.	Stumpf
Beckman	Diessner	Luther	Peterson, R.W.	Vickerman
Berglin	Frederickson, D.J.	Marty	Piper	Waldorf
Bertram	Freeman	Merriam	Pogemiller	Wegscheid
Brandl	Johnson, D.J.	Moe, R.D.	Purfeerst	
Chmielewski	Jude	Morse	Reichgott	
Cohen	Kroening	Novak	Schmitz	
Davis	Langseth	Pehler	Spear	

The motion did not prevail. So the amendment to the amendment was not adopted.

The question recurred on the adoption of the Morse amendment.

The roll was called, and there were yeas 32 and nays 26, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Lantry	Morse	Schmitz
Beckman	Frederickson, D.J.	Lessard	Pehler	Spear
Berglin	Freeman	Luther	Peterson, D.C.	Stumpf
Brandl	Johnson, D.J.	Marty	Peterson, R.W.	Vickerman
Cohen	Jude	Merriam	Piper	
Davis	Kroening	Metzen	Pogemiller	
Dicklich	Langseth	Moe, R.D.	Purfeerst	

Those who voted in the negative were:

Anderson	Brataas	Frederickson, D.R.	McQuaid	Taylor
Belanger	Chmielewski	Gustafson	Olson	Waldorf
Benson	Dahl	Knaak	Ramstad	
Berg	Decker	Knutson	Renneke	
Bernhagen	Frank	Laidig	Samuelson	
Bertram	Frederick	Larson	Storm	

The motion prevailed. So the amendment was adopted.

Mr. Laidig moved to amend S.F. No. 2021 as follows:

Page 2, line 9, after the period, insert "If a candidate who receives a public subsidy is no longer bound by the limits as provided in this subdivision, the candidate may not accept contributions from a political fund

or a political committee after the candidate has exceeded the campaign expenditure limit specified under section 10A.25.”

Amend the title as follows:

Page 1, line 4, after the semicolon, insert “limiting certain campaign contributions;”

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 23 and nays 32, as follows:

Those who voted in the affirmative were:

Anderson	Brataas	Frederickson, D.R.	Lessard	Renneke
Belanger	Dahl	Gustafson	McQuaid	Samuelson
Benson	Decker	Knutson	Mehrkens	Storm
Berg	Frank	Laidig	Olson	
Bernhagen	Frederick	Larson	Ramstad	

Those who voted in the negative were:

Adkins	Davis	Lantry	Pehler	Spear
Beckman	Dicklich	Luther	Peterson, D.C.	Stumpf
Berglin	Diessner	Marty	Peterson, R.W.	Vickerman
Bertram	Frederickson, D.J.	Merriam	Piper	Waldorf
Brandl	Freeman	Metzen	Pogemiller	
Chmielewski	Jude	Moe, D.M.	Reichgott	
Cohen	Langseth	Morse	Schmitz	

The motion did not prevail. So the amendment was not adopted.

Mr. Berg moved to amend S.F. No. 2021 as follows:

Page 1, after line 8, insert:

“Section 1. [10A.065] [CONTRIBUTIONS AND SOLICITATIONS DURING LEGISLATIVE SESSION.]

Subdivision 1. [REGISTERED LOBBYIST CONTRIBUTIONS; REGULATION.] A registered lobbyist, political committee, or political fund may not make a contribution to a candidate for the state legislature or to the candidate's principal campaign committee or other political committee with a candidate's name or title other than the principal campaign committee of that candidate during a regular session of the legislature.

Subd. 2. [SOLICITATION PROHIBITED.] A candidate for the state legislature or the candidate's principal campaign committee or other political committee with a candidate's name or title other than the principal campaign committee of that candidate may not knowingly solicit a registered lobbyist, political committee, or political fund for a contribution during a regular session of the legislature.

Subd. 3. [PENALTY.] A candidate, registered lobbyist, political committee, or political fund that violates this section is subject to a civil fine of up to \$500. If the state ethical practices board makes a public finding that there is probable cause to believe a violation of this section has occurred, the board shall bring an action, or transmit the finding to a county attorney who shall bring an action, in the district court of Ramsey county, to impose a civil fine as prescribed by the board. Fines paid under this section must be deposited in the general fund in the state treasury.

Subd. 4. [SPECIAL ELECTION.] This section does not apply to candidates in a legislative special election.

Subd. 5. [POLITICAL COMMITTEE.] This section does not apply to a political committee established by a political party as defined in 10A.27, subdivision 4."

Renumber the sections in sequence

Amend the title accordingly

Mr. Luther questioned whether the amendment was germane.

The Chair ruled the amendment was germane.

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 43 and nays 14, as follows:

Those who voted in the affirmative were:

Anderson	Dahl	Hughes	Mehrkens	Ramstad
Beckman	Davis	Jude	Merriam	Renneke
Belanger	Decker	Knaak	Moe, D.M.	Spear
Benson	Dicklich	Knutson	Morse	Storm
Berg	Frederick	Laidig	Olson	Taylor
Bernhagen	Frederickson, D.I.	Lantry	Pehler	Vickerman
Bertram	Frederickson, D.R.	Larson	Peterson, R.W.	Waldorf
Brataas	Freeman	Marty	Pogemiller	
Cohen	Gustafson	McQuaid	Purfeerst	

Those who voted in the negative were:

Adkins	Diessner	Langseth	Metzen	Schmitz
Berglin	Frank	Lessard	Peterson, D.C.	Wegscheid
Chmielewski	Kroening	Luther	Samuelson	

The motion prevailed. So the amendment was adopted.

Mr. Benson moved to amend S.F. No. 2021 as follows:

Page 2, after line 9, insert:

"Sec. 3. [CONSTITUTIONAL AMENDMENT.]

An amendment to the Minnesota Constitution, adding a section to article VIII, is proposed to the people. If the amendment is adopted, the new section will read:

Sec. 6. [RECALL.] An elective officer may be recalled by the eligible voters of the state, in the case of statewide offices, or of the electoral district from which the person was elected. Recall shall be initiated by a petition signed by eligible voters equal in number to at least 25 percent of the vote cast in the last election for the office from which the person is to be recalled. No person shall be recalled before he has completed one year of service in the office from which he is to be recalled. A special election shall be held for the office of a person against whom a petition has been filed, and that person shall be a candidate in the special election unless he chooses to resign.

After one petition for recall and special election, no further recall petition shall be filed against the same person during the term for which he was elected.

Sec. 4. [QUESTION.]

The proposed amendment shall be submitted at the 1988 general election. The question submitted shall be:

"Shall the Minnesota Constitution be amended to allow for the recall

of elective officers by petition and special election?

Yes
No”

Amend the title accordingly

Mr. Marty questioned whether the amendment was germane.

The Chair ruled that the amendment was not germane.

Mr. Benson appealed the decision of the Chair.

The question was taken on “Shall the decision of the Chair be the judgment of the Senate?”

The roll was called, and there were yeas 37 and nays 19, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Kroening	Moe, R.D.	Spear
Beckman	Dicklich	Langseth	Morse	Stumpf
Berglin	Diessner	Lantry	Pehler	Taylor
Bertram	Frank	Lessard	Peterson, D.C.	Vickerman
Brandl	Frederickson, D.J.	Luther	Peterson, R.W.	Wegscheid
Chmielewski	Freeman	Marty	Pogemiller	
Cohen	Hughes	Metzen	Purfeerst	
Dahl	Jude	Moe, D.M.	Samuelson	

Those who voted in the negative were:

Anderson	Brataas	Gustafson	McQuaid	Ramstad
Belanger	Decker	Knaak	Mehrkens	Renneke
Benson	Frederick	Knutson	Merriam	Storm
Bernhagen	Frederickson, D.R.	Laidig	Olson	

The decision of the Chair was sustained.

Mr. Laidig moved to amend S.F. No. 2021 as follows:

Page 2, after line 9, insert:

“Sec. 3. Minnesota Statutes 1986, section 10A.32, is amended by adding a subdivision to read:

Subd. 5. [MATCHING FUNDS.] As a condition of receiving money from the state elections campaign fund, a candidate must certify to the board that the candidate has received matching contributions from nonpublic sources other than political committees or political funds, equal to the amount of money that the candidate is eligible to receive from the state elections campaign fund. If a candidate has received matching contributions from nonpublic sources in an amount less than the amount that the candidate is eligible to receive from the state elections campaign fund, the candidate may receive an amount of money from the fund equal to the amount of contributions that the candidate has received from nonpublic sources other than political committees or political funds, after certifying receipt of the contributions from nonpublic sources to the board.”

Amend the title as follows:

Page 1, line 4, after the semicolon, insert “requiring matching funds from nonpublic sources as a condition of receiving money from the state elections campaign fund;”

Page 1, line 6, delete “and” and after “10” insert “; and 10A.32, by adding a subdivision”

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 14 and nays 44, as follows:

Those who voted in the affirmative were:

Anderson	Bernhagen	Gustafson	McQuaid	Storm
Belanger	Decker	Knutson	Mehrkens	Taylor
Benson	Frederick	Laidig	Renneke	

Those who voted in the negative were:

Adkins	Dicklich	Kroening	Moe, D.M.	Ramstad
Berg	Diessner	Langseth	Morse	Reichgott
Berglin	Frank	Lantry	Olson	Samuelson
Bertram	Frederickson, D.J.	Larson	Pehler	Schmitz
Brandl	Frederickson, D.R.	Lessard	Peterson, D.C.	Spear
Chmielewski	Freeman	Luther	Peterson, R.W.	Stumpf
Cohen	Hughes	Marty	Piper	Vickerman
Dahl	Jude	Merriam	Pogemiller	Waldorf
Davis	Knaak	Metzen	Purfeerst	

The motion did not prevail. So the amendment was not adopted.

Mr. Storm moved to amend S.F. No. 2021 as follows:

Page 1, delete section 1

Renumber the sections in sequence

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 20 and nays 35, as follows:

Those who voted in the affirmative were:

Anderson	Dahl	Gustafson	Larson	Ramstad
Belanger	Decker	Knaak	McQuaid	Renneke
Bernhagen	Frederick	Knutson	Mehrkens	Storm
Brataas	Frederickson, D.R.	Laidig	Olson	Taylor

Those who voted in the negative were:

Adkins	Diessner	Langseth	Moe, R.D.	Reichgott
Berglin	Frank	Lantry	Morse	Schmitz
Bertram	Frederickson, D.J.	Lessard	Pehler	Spear
Brandl	Freeman	Luther	Peterson, D.C.	Stumpf
Chmielewski	Hughes	Marty	Peterson, R.W.	Vickerman
Cohen	Jude	Metzen	Pogemiller	Waldorf
Dicklich	Kroening	Moe, D.M.	Purfeerst	Wegscheid

The motion did not prevail. So the amendment was not adopted.

Mr. Benson moved to amend S.F. No. 2021 as follows:

Page 2, after line 9, insert:

“Sec. 3. Minnesota Statutes 1986, section 10A.27, subdivision 1, is amended to read:

Subdivision 1. Except as provided in subdivisions 2 and 6, no candidate shall permit the candidate's principal campaign committee to accept contributions from any individual, political committee, or political fund *located outside of the district for the office sought and* in excess of the following:

(a) To candidates for governor and lieutenant governor running together, \$60,000 in an election year for the office sought and \$12,000 in other years;

(b) To a candidate for attorney general, \$10,000 in an election year for the office sought and \$2,000 in other years;

(c) To a candidate for the office of secretary of state, state treasurer or state auditor, \$5,000 in an election year for the office sought and \$1,000 in other years;

(d) To a candidate for state senator, \$1,500 in an election year for the office sought and \$300 in other years; and

(e) To a candidate for state representative, \$750 in an election year for the office sought and \$150 in the other year."

Amend the title accordingly

Mr. Cohen moved to amend the Benson amendment to S.F. No. 2021 as follows:

Page 1, line 9, after "sought" insert "including Minnesota candidates for federal office"

The motion prevailed. So the amendment to the amendment was adopted.

The question recurred on the Benson amendment, as amended.

The roll was called, and there were yeas 19 and nays 39, as follows:

Those who voted in the affirmative were:

Anderson	Bernhagen	Frederickson, D.R.	Laidig	Olson
Belanger	Davis	Gustafson	Larson	Renneke
Benson	Decker	Knaak	McQuaid	Storm
Berg	Frederick	Knutson	Mehrkens	

Those who voted in the negative were:

Adkins	DeCramer	Langseth	Morse	Reichgott
Beckman	Dicklich	Lantry	Pehler	Samuelson
Berglin	Diessner	Luther	Peterson, D.C.	Schmitz
Bertram	Frank	Marty	Peterson, R.W.	Spear
Brandl	Frederickson, D.J.	Merriam	Piper	Stumpf
Brataas	Hughes	Metzen	Pogemiller	Vickerman
Cohen	Jude	Moe, D.M.	Purfeerst	Wegscheid
Dahl	Kroening	Moe, R.D.	Ramstad	

The motion did not prevail. So the Benson amendment, as amended, was not adopted.

The question was taken on the recommendation to pass S.F. No. 2021.

The roll was called, and there were yeas 37 and nays 23, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Kroening	Moe, R.D.	Reichgott
Beckman	Dicklich	Langseth	Morse	Schmitz
Berg	Diessner	Lantry	Pehler	Spear
Berglin	Frank	Luther	Peterson, D.C.	Stumpf
Bertram	Frederickson, D.J.	Marty	Peterson, R.W.	Vickerman
Brandl	Freeman	Merriam	Piper	
Cohen	Hughes	Metzen	Pogemiller	
Davis	Jude	Moe, D.M.	Purfeerst	

Those who voted in the negative were:

Anderson	Dahl	Knaak	Mehrkens	Storm
Belanger	Decker	Knutson	Olson	Taylor
Benson	Frederick	Laidig	Ramstad	Waldorf
Bernhagen	Frederickson, D.R.	Larson	Renneke	
Brataas	Gustafson	McQuaid	Samuelson	

The motion prevailed. So S.F. No. 2021 was recommended to pass.

S.F. No. 2165, which the committee recommends to pass with the following amendment offered by Mr. Dahl:

Page 1, line 12, after "of" insert "*excessive or abnormal unpermitted*"

Page 1, line 13, after "(1)" insert "may"

Page 1, line 14, after "(2)" insert "may"

Page 1, line 21, after "must" insert "*take immediate and reasonable steps to*"

Page 1, line 22, delete the first "and" and insert "or"

Page 1, after line 23, insert:

"Subd. 3. [EXEMPTION.] The following are exempt from the requirements of subdivisions 1 and 2:

(1) emissions resulting from the activities of public fire services or law enforcement services;

(2) emissions from motor vehicles, as defined in section 169.01, subdivision 3;

(3) emissions from an agricultural operation deemed not a nuisance under section 561.19, subdivision 2; or

(4) emissions from agency regulated sources that are routine or authorized by the agency.

Subd. 4. [PENALTY EXCEPTION.] A person who notifies the agency of emissions under subdivision 1 and who complies with subdivision 2 shall not be subject to criminal prosecution under section 115.071, subdivision 2."

The motion prevailed. So the amendment was adopted.

S.F. No. 2286, which the committee recommends to pass with the following amendment offered by Mr. Peterson, R.W.:

Page 2, line 19, delete everything after "the"

Page 2, line 20, delete "is" and insert "*has been determined*"

The motion prevailed. So the amendment was adopted.

S.F. No. 2275, which the committee recommends to pass with the following amendment offered by Mr. Cohen:

Page 18, line 10, after "board" insert "*, after consultation with the court,*"

Page 18, line 33, delete everything after "*licensed*" and insert "*to operate a residential program under sections 245A.01 to 245A.16*"

Page 18, line 34, delete "*to 245.812*"

The motion prevailed. So the amendment was adopted.

S.F. No. 1937, which the committee reports progress, subject to the following motion:

Mr. Freeman moved to amend S.F. No. 1937 as follows:

Page 2, line 21, after "*609.531*" insert "*or sections 9*"

Page 2, line 22, delete "section"

Page 2, line 29, reinstate the stricken "this"

Page 2, line 30, reinstate the stricken "section" and before "sections" insert "and" and delete "5" and insert "9"

Page 3, line 18, after "city" insert "or airport"

Page 3, line 21, after the colon, insert "a felony" and strike "an" and insert "a felony-level"

Page 3, lines 30 and 31, reinstate the stricken language

Page 4, line 9, before "Sections" insert "This section and" and delete "3" and insert "9"

Page 4, line 23, after "under" insert "this section or" and delete "3" and insert "9"

Page 5, line 12, before "sections" insert "this section or" and delete "3" and insert "9"

Page 5, line 16, reinstate the stricken "this section" and after the stricken "shall" insert "or" and delete "3" and insert "9"

Page 6, line 4, after "under" insert "this section or" and delete "3" and insert "9"

Page 6, line 24, after "evidence" insert a comma

Page 6, line 25, delete "9" and insert "10"

Page 6, line 35, delete "or" and insert "and related"

Page 7, line 2, before the first "owner" insert "alleged"

Page 7, line 3, before "owner" insert "alleged"

Page 8, line 35, delete "such" and insert "the"

Page 9, line 5, delete "such" and insert "the"

Page 9, line 36, delete "by clear and convincing evidence"

Page 11, line 12, delete "7" and insert "8"

Page 13, line 13, after "under" insert "section 609.531 or" and delete "3" and insert "9"

The motion prevailed. So the amendment was adopted.

S.F. No. 1937 was then progressed.

S.F. No. 2023, which the committee recommends to pass with the following amendment offered by Mr. Bernhagen:

Page 3, line 30, after "recordable" insert ", or that section 272.121 prohibits the recording of the contract for deed or assignment,"

The motion prevailed. So the amendment was adopted.

S.F. No. 2122, which the committee recommends to pass with the following amendments offered by Messrs. Peterson, R.W. and Jude:

Mr. Peterson, R.W. moved to amend S.F. No. 2122 as follows:

Page 5, line 10, delete everything after "rescinded" and insert "and all rights of appeal have been exhausted or have expired, the commissioner

shall remove the record of that revocation or suspension from any records that are accessible by anyone other than an employee of the driver and vehicle services division, department of public safety."

Page 5, delete line 11

The motion prevailed. So the amendment was adopted.

Mr. Jude moved to amend S.F. No. 2122 as follows:

Page 5, after line 4, insert:

"Sec. 6. Minnesota Statutes 1986, section 145.32, subdivision 2, is amended to read:

Subd. 2. **[RESPONSIBILITIES OF THE COMMISSIONER OF HEALTH INDIVIDUAL PERMANENT MEDICAL RECORD.]** (a) The commissioner of health shall define by rule the term "individual permanent medical record" by enumerating the specific types of records or other information ~~which~~ *that*, at a minimum, must be maintained on a permanent basis by the hospital.

(b) *"Individual permanent medical record" includes outpatient diagnostic and laboratory test results."*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, after the semicolon, insert "requiring outpatient diagnostic and test results to be retained as part of an individual permanent medical record;"

Page 1, line 7, after the semicolon, insert "145.32, subdivision 2;"

The motion prevailed. So the amendment was adopted.

RECESS

Mr. Luther moved that the Senate do now recess until 7:00 p.m. The motion prevailed.

The hour of 7:00 p.m. having arrived, the President called the Senate to order.

On motion of Mr. Moe, R.D., the report of the Committee of the Whole, as kept by the Secretary, was adopted.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate revert to the Orders of Business of Messages From the House, First Reading of House Bills, Reports of Committees, Second Reading of Senate Bills and Second Reading of House Bills. The motion prevailed.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 1469, 2306, 2446, 2134, 2228, 2450, 2481, 2172, 2252 and 2629.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 24, 1988

FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H.F. No. 1469: A bill for an act relating to traffic regulations; providing for restrictions on vehicles transporting firewood on highways; amending Minnesota Statutes 1986, sections 169.80, subdivision 1; and 169.81, by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1336, now on General Orders.

H.F. No. 2306: A bill for an act relating to bonds; authorizing the Minnesota public facilities authority to issue revenue bonds and make loans to or purchase the bonds of municipalities for wastewater treatment and water supply systems; amending Minnesota Statutes 1987 Supplement, sections 446A.04, by adding subdivisions; 446A.05, subdivision 1; and proposing coding for new law in Minnesota Statutes, chapter 446A.

Referred to the Committee on Taxes and Tax Laws.

H.F. No. 2446: A bill for an act relating to St. Louis county; providing duties of the county board and the county administrator; regulating finances; providing for property assessments; repealing obsolete laws; amending Minnesota Statutes 1986, sections 383C.031; 383C.034; 383C.091; 383C.094, subdivision 1; 383C.131; 383C.133, subdivision 1; 383C.135; 383C.16; 383C.161; 383C.162; 383C.17; 383C.231, subdivision 1; 383C.232; 383C.26; 383C.261; 383C.36; 383C.422; 383C.482, subdivision 1; 383C.74, subdivision 1; 383C.75; and 383C.78, subdivision 2; Minnesota Statutes 1987 Supplement, section 383C.035; proposing coding for new law in Minnesota Statutes, chapter 383C; repealing Minnesota Statutes 1986, section 383C.075; 383C.076; 383C.095; 383C.132; 383C.13; 383C.133; 383C.171; 383C.174; 383C.175; 383C.20; 383C.202; 383C.203; 383C.291; 383C.292; 383C.339; 383C.361; 383C.362; 383C.363; 383C.392, subdivision 2; 383C.423; 383C.424; 383C.45; 383C.481; 383C.52; 383C.521; 383C.523; 383C.55; 383C.551; 383C.552; 383C.553; 383C.554; 383C.555, subdivision 2; 383C.556; 383C.557; 383C.61; 383C.611; 383C.612; 383C.613; 383C.64; 383C.641; 383C.642; 383C.643; 383C.644; 383C.645; 383C.646; 383C.647; 383C.648; 383C.649; 383C.65; 383C.651; 383C.66; 383C.67; 383C.671; 383C.672; 383C.673; 383C.674; 383C.675; 383C.676; 383C.677; 383C.77; 383C.80; 383C.801; 383C.802; 383C.803; 383C.804; and 383C.805; Minnesota Statutes 1987 Supplement, section 383C.76.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2299, now on General Orders.

H.F. No. 2134: A bill for an act relating to real property; requiring recordation of transfers of contracts for deed; providing penalties; amending Minnesota Statutes 1986, section 507.235.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2023, now on Calendar.

H.F. No. 2228: A bill for an act relating to education; establishing a

records destruction schedule for chemical abuse preassessment teams; requiring law enforcement reports of certain violations to preassessment teams; amending Minnesota Statutes 1987 Supplement, sections 126.034; 126.035; 126.037; and 260.161, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 126; repealing Minnesota Statutes 1987 Supplement, section 126.033, subdivision 4.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2277.

H.F. No. 2450: A bill for an act relating to agriculture; requiring certain entities with interests in agricultural lands or operations to file reports; providing a penalty; amending Minnesota Statutes 1986, section 500.24, subdivision 4.

Referred to the Committee on Agriculture.

H.F. No. 2481: A bill for an act relating to local government; the city of Cook, the city of Orr, and Koochiching and St. Louis counties; providing for the establishment of a hospital district in portions of those counties.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2259.

H.F. No. 2172: A bill for an act relating to retirement; state university and community college supplemental plan; permitting the boards to act through designees in authorizing accelerated withdrawals; amending Minnesota Statutes 1986, section 43A.27, by adding a subdivision; Minnesota Statutes 1987 Supplement, section 136.82, subdivision 1.

Referred to the Committee on Governmental Operations.

H.F. No. 2252: A bill for an act relating to state lands; conveying certain lands to the city of Brooklyn Center in Hennepin county.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2160, now on General Orders.

H.F. No. 2629: A bill for an act relating to minerals; authorizing the commissioner of natural resources to lease certain severed mineral interests; amending Minnesota Statutes 1986, section 93.55, subdivisions 1, 3, and by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2340, now on General Orders.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 2145: A bill for an act relating to health; providing equal access to chiropractic services; providing for the licensure of doctors of chiropractic; amending Minnesota Statutes 1986, sections 62A.15, subdivisions 1, 2, and 4; 148.08, by adding a subdivision; Minnesota Statutes 1987 Supplement, section 148.06, subdivision 1.

Reports the same back with the recommendation that the bill be amended

as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 62A.15, subdivision 1, is amended to read:

Subdivision 1. [APPLICABILITY.] The provisions of this section apply to all group policies or subscriber contracts providing payment for care in this state, which are issued or renewed after August 1, 1973 for chiropractic services, after August 1, 1976, for optometric services, and which are issued or renewed after the effective date of this section for services of a registered nurse meeting the requirements of subdivision 3a, by accident and health insurance companies regulated under this chapter and nonprofit health service plan corporations regulated under chapter 62C.

Sec. 2. Minnesota Statutes 1986, section 62A.15, subdivision 2, is amended to read:

Subd. 2. [CHIROPRACTIC SERVICES.] All benefits provided by any policy or contract referred to in subdivision 1, relating to expenses incurred for medical treatment or services of a physician must also include chiropractic treatment and services of a chiropractor to the extent that the chiropractic services and treatment are within the scope of chiropractic licensure.

This subdivision is intended to provide equal access to benefits for insureds and subscribers who choose to obtain treatment for illness or injury from a doctor of chiropractic, as long as the treatment falls within the chiropractor's scope of practice. This subdivision is not intended to change or add to the benefits provided for in these policies or contracts.

Sec. 3. Minnesota Statutes 1986, section 62A.15, subdivision 4, is amended to read:

Subd. 4. [DENIAL OF BENEFITS.] (a) No carrier referred to in subdivision 1 may, in the payment of claims to employees in this state, deny benefits payable for services covered by the policy or contract if the services are lawfully performed by a licensed chiropractor, licensed optometrist, or a registered nurse meeting the requirements of subdivision 3a.

(b) When carriers referred to in subdivision 1 make claim determinations concerning the appropriateness, quality, or utilization of chiropractic health care, any of these determinations that are made by health care professionals must be made by, or under the direction of, or subject to the review of doctors of chiropractic licensed under the provisions of sections 148.01 to 148.104.

Sec. 4. Minnesota Statutes 1987 Supplement, section 148.06, subdivision 1, is amended to read:

Subdivision 1. [LICENSE REQUIRED; QUALIFICATIONS.] No person shall practice chiropractic in this state without first being licensed by the state board of chiropractic examiners. The applicant shall have earned at least one-half of all academic credits required for awarding of a baccalaureate degree from the University of Minnesota, or other university, college or community college of equal standing, in subject matter determined by the board, and taken a four-year resident course of at least eight months each in a school or college of chiropractic that is fully accredited by the council on chiropractic education or fully accredited by an agency approved by the United States office of education or their successors as of January

1, 1988. The board may issue licenses to practice chiropractic without compliance with prechiropractic or academic requirements listed above if in the opinion of the board the applicant has the qualifications equivalent to those required of other applicants, the applicant satisfactorily passes written and practical examinations as required by the board of chiropractic examiners, and the applicant is a graduate of a college of chiropractic with a reciprocal recognition agreement with the council on chiropractic education as of January 1, 1988. The board may recommend a two-year prechiropractic course of instruction to any university, college or community college which in its judgment would satisfy the academic prerequisite for licensure as established by this section.

An examination for a license shall be in writing and shall include testing in:

(a) The basic sciences including but not limited to anatomy, physiology, bacteriology, pathology, hygiene, and chemistry as related to the human body or mind;

(b) The clinical sciences including but not limited to the science and art of chiropractic, chiropractic physiotherapy, diagnosis, roentgenology and nutrition; and

(c) Professional ethics and any other subjects that the board may deem advisable.

The board may consider a valid certificate of examination from the National Board of Chiropractic Examiners as evidence of compliance with the written examination requirements of this subdivision. The applicant shall be required to give practical demonstration in vertebral palpation, neurology, adjusting and any other subject that the board may deem advisable. A license, countersigned by the members of the board and authenticated by the seal thereof, shall be granted to each applicant who correctly answers 75 percent of the questions propounded in each of the subjects required by this subdivision and meets the standards of practical demonstration established by the board. Each application shall be accompanied by a fee set by the board. The fee shall not be returned but the applicant may, within one year, apply for examination without the payment of an additional fee. The board may grant a license to an applicant who holds a valid license to practice chiropractic issued by the appropriate licensing board of another state or country, provided the applicant meets the other requirements of this section and satisfactorily passes the practical examination before the board. The burden of proof is on the applicant to demonstrate these qualifications or satisfaction of these requirements.

Sec. 5. Minnesota Statutes 1987 Supplement, section 169.345, subdivision 2a, is amended to read:

Subd. 2a. [PHYSICIAN'S OR CHIROPRACTOR'S STATEMENT.] The commissioner shall develop a form for the physician's or chiropractor's statement. The statement must be signed by a licensed physician or chiropractor who certifies that the applicant is a physically handicapped person as defined in subdivision 2. The commissioner may request additional information from the physician or chiropractor if needed to verify the applicant's eligibility. The physician's statement that the applicant is a physically handicapped person must specify whether the disability is permanent or temporary, and if temporary, the opinion of the physician or chiropractor as to the duration of the disability. A physician or chiropractor

who fraudulently certifies to the commissioner that a person is a physically handicapped person as defined in subdivision 2, and that the person is entitled to the license plates authorized by section 168.021 or to the certificate authorized by this section, is guilty of a misdemeanor and is subject to a fine of \$500.

Sec. 6. Minnesota Statutes 1987 Supplement, section 169.345, subdivision 3, is amended to read:

Subd. 3. [IDENTIFYING CERTIFICATE.] (a) The division of driver and vehicle services in the department of public safety shall issue a special identifying certificate for a motor vehicle when a physically handicapped applicant submits a ~~physician's~~ *statement of a physician or chiropractor*. The commissioner shall design separate certificates for persons with permanent and temporary disabilities that can be readily distinguished from each other from outside a vehicle at a distance of 25 feet. The certificate is valid for the duration of the person's disability, as specified in the physician's *or chiropractor's* statement, up to a maximum of six years. A person with a disability of longer duration will be required to renew the certificate for additional periods of time, up to six years each, as specified in the physician's *or chiropractor's* statement.

(b) When the commissioner is satisfied that a motor vehicle is used primarily for the purpose of transporting physically handicapped persons, the division may issue without charge a special identifying certificate for the vehicle. The operator of a vehicle displaying the certificate has the parking privileges provided in subdivision 1 while the vehicle is in use for transporting physically handicapped persons. The certificate issued to a person transporting physically handicapped persons must be renewed every third year. On application and renewal, the person must present evidence that the vehicle continues to be used for transporting physically handicapped persons.

(c) A certificate must be made of plastic or similar durable material, must be distinct from certificates issued before January 1, 1988, and must bear its expiration date prominently on its face. A certificate issued to a temporarily disabled person must display the date of expiration of the duration of the disability, as determined under paragraph (a). Each certificate must have printed on the back a summary of the parking privileges and restrictions that apply to each vehicle in which it is used. The commissioner may charge a fee of \$5 for issuance or renewal of a certificate, and a fee of \$5 for a duplicate to replace a lost, stolen, or damaged certificate."

Delete the title and insert:

"A bill for an act relating to health; providing equal access to chiropractic services; providing for the licensure of doctors of chiropractic; amending Minnesota Statutes 1986, section 62A.15, subdivisions 1, 2, and 4; Minnesota Statutes 1987 Supplement, sections 148.06, subdivision 1; and 169.345, subdivisions 2a and 3."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 892: A bill for an act relating to employment; providing for severance pay and insurance coverage to certain terminated employees;

requiring employers to provide notice of certain actions related to work force reductions; appropriating money; amending Minnesota Statutes 1986, section 267.05, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 268; proposing coding for new law as Minnesota Statutes, chapter 268A.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [268.981] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For the purpose of sections 1 to 7, the terms defined in this section have the meanings given them.

Subd. 2. [AFFECTED EMPLOYEE.] “Affected employee” means an employee whose employment is terminated or will be terminated as a result of a plant closing.

Subd. 3. [AFFECTED EMPLOYEE ORGANIZATION.] “Affected employee organization” means a labor union, association, or other employee organization that represents affected employees.

Subd. 4. [AFFECTED MUNICIPALITY.] “Affected municipality” means each home rule or statutory city or town in which a plant engaged in a plant closing is located.

Subd. 5. [COMMISSIONER.] “Commissioner” means the commissioner of jobs and training.

Subd. 6. [EMPLOYER.] “Employer” means a person, partnership, corporation, or other for-profit or nonprofit legal entity that owns or is operating one or more plants within this state, either directly or indirectly. If a change in ownership of a plant results in a plant closing, the “employer” means the new owner, and also includes the old owner if the old owner had a reasonable basis to believe that the new owner would decide to close the plant.

Subd. 7. [PLANT.] “Plant” means any facility other than a construction site.

Subd. 8. [PLANT CLOSING.] “Plant closing” means a situation where, as a result of a closing, relocation, or reduction in operations, an employer terminates or will terminate, during a 90-day period, 20 percent or more of the employees employed at a plant employing 100 or more individuals for at least two calendar quarters during the four completed calendar quarters preceding the beginning of the 90-day period. “Plant closing” does not include the termination of employees engaged in temporary or seasonal work.

Sec. 2. [268.982] [NOTICES.]

An employer must notify in writing the commissioner, each affected employee, each affected employee organization, and each affected municipality of a plant closing at least 90 days before the beginning of a plant closing or before a change in ownership that the employer has a reasonable basis to believe will result in a plant closing. If an employer can establish that the employer could not reasonably have anticipated the plant closing 90 days before the beginning of the plant closing, notice is required as soon as the employer has a reasonable basis to believe that a plant closing

will occur.

Sec. 3. [268.983] [COLLECTIVE BARGAINING RIGHTS.]

A collective bargaining agreement that requires greater protection for an affected employee or places greater obligations upon an employer than section 2 takes precedence over that section.

Sec. 4. [268.984] [PLANT CLOSING RELATED BENEFITS.]

Subdivision 1. [RIGHT TO BENEFITS.] If the commissioner determines that an employer has failed to provide required notification of a plant closing, an affected employee is entitled to additional unemployment compensation benefits as provided under this section, after all other unemployment compensation benefits are exhausted.

Subd. 2. [AMOUNT.] An affected employee is entitled to additional weekly benefits for each week or part of a week that the employer is not in compliance with section 2, up to a maximum of 13 weeks of additional benefits. A claimant's weekly benefit amount under this section is the same as the individual's weekly benefit amount payable during the individual's current benefit year under section 268.08.

Subd. 3. [PAYMENT OF BENEFITS.] All benefits payable under this section are payable from the unemployment compensation fund.

Sec. 5. [268.985] [EMPLOYER LIABILITY.]

Subdivision 1. [AMOUNT.] An employer who fails to comply with section 2 is liable to the plant closing special fund in an amount equal to the number of weeks of additional unemployment compensation benefits available to its affected employees under section 4, times the number of affected employees laid off as a result of the plant closing, times 110 percent of the average weekly benefit amount for the employer's industry.

Subd. 2. [PAYMENT.] Payment due under this section must be made within 30 days of the commissioner's determination of liability and is subject to the collection provisions of sections 268.16, 268.161 to 268.164, and 268.166.

Subd. 3. [APPEALS.] An employer may appeal the commissioner's determination of liability in the same manner as provided under section 268.06, subdivision 20.

Sec. 6. [268.986] [SPECIAL FUND CREATED.]

Subdivision 1. [ESTABLISHED.] A special fund to be known as the plant closing special fund is created in the state treasury. The special fund is separate and distinct from any fund or account created for any other purposes of sections 268.03 to 268.231. All collections from the payments of employer liability under section 5 must be credited to the special fund. Ninety-seven percent of the money in the special fund is appropriated on a quarterly basis to the unemployment compensation fund. The remaining three percent is appropriated to the commissioner to administer the special fund. Money in the special fund must be deposited, administered, and disbursed in the same manner and under the same conditions and requirements as are provided by law for other special funds in the state treasury.

Sec. 7. [268.987] [RULES.]

The commissioner shall adopt rules to implement sections 1 to 7.

Sec. 8. [APPROPRIATION.]

\$25,000 is appropriated to the commissioner of jobs and training to carry out sections 1 to 7."

Delete the title and insert:

"A bill for an act relating to employment; requiring employers to provide notice of certain actions related to plant closings; providing for additional unemployment compensation benefits under certain circumstances; proposing coding for new law in Minnesota Statutes, chapter 268."

And when so amended the bill do pass and be re-referred to the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was referred

S.F. No. 1756: A bill for an act relating to taxation; repealing the law providing for a contingent tax increase upon forecast of a revenue shortfall; repealing Laws 1987, chapter 268, article 18, section 5.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was referred

H.F. No. 1459: A bill for an act relating to the town of Irondale; removing a town levy limitation; repealing Laws 1971, chapter 336.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was re-referred

S.F. No. 632: A bill for an act relating to the city of Little Falls; authorizing the issuance of general obligation bonds to refund certain tax increment bonds of the city; authorizing the city to use the unexpended proceeds of the refunded bonds for other municipal purposes.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was re-referred

S.F. No. 1672: A bill for an act relating to housing; repealing the expiration date of housing and redevelopment authorities' power to provide interest reduction assistance; repealing Minnesota Statutes 1987 Supplement, section 469.012, subdivision 10.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was referred

S.F. No. 2136: A bill for an act relating to taxation; allowing the city of Biwabik to exceed certain property tax levy limits; allowing for a referendum on the issue of exceeding the levy limits.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was re-referred

S.F. No. 2411: A bill for an act relating to local government; authorizing issuance of bonds for repair, restoration, expansion, and modernization of the Saint Paul City Hall and Ramsey County Courthouse building; authorizing Ramsey county to assume certain bonded indebtedness.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was re-referred

S.F. No. 1154: A bill for an act relating to motor vehicles; taxation; imposing a \$90 sales tax on certain collector motor vehicles; amending Minnesota Statutes 1986, sections 297B.02, subdivision 2, and by adding a subdivision; and 297B.025.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was re-referred

S.F. No. 479: A bill for an act relating to the city of Duluth; authorizing the issuance of bonds to purchase capital equipment; limiting the amount of the bonds; amending Laws 1982, chapter 523, article XI, sections 1 and 3.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was referred

H.F. No. 1864: A bill for an act relating to the city of Jordan; enabling the city to issue tax anticipation certificates.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was re-referred

S.F. No. 2259: A bill for an act relating to local government; the city of Cook, the city of Orr, and Koochiching and St. Louis counties; providing for the establishment of a hospital district in portions of those counties.

Reports the same back with the recommendation that the bill do pass.

Report adopted.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was re-referred

H.F. No. 289: A bill for an act relating to the city of St. Paul; setting the maximum amounts and other conditions for the issuance of capital improvement bonds; amending Laws 1971, chapter 773, section 1, subdivision 2, as amended; and section 2, as amended; repealing Laws 1963, chapter 881, as amended.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 12, delete "462.421" and insert "469.002"

Page 2, line 13, delete "13" and insert "14,"

Page 2, line 14, delete "462.581" and insert "469.041"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was re-referred

S.F. No. 22: A bill for an act relating to local government; permitting certain counties to levy a tax for the county historical society; imposing a reverse referendum requirement.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, lines 8 and 15, after "*Chisago*" insert ", *Carlton, Pine,*"

Page 1, line 14, delete "1989" and insert "1990,"

Page 1, line 19, delete "1988" and insert "1989"

Page 2, lines 10 and 18, delete "1989" and insert "1990"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was referred

S.F. No. 1706: A bill for an act relating to taxation; property; allowing transfers of land to cities without payment of tax on the entire parcel; amending Minnesota Statutes 1987 Supplement, section 272.121.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 24, after "*city*" insert ", *town, county, or other governmental subdivision or the state or federal government,*"

Amend the title as follows:

Page 1, line 3, delete "cities" and insert "governmental subdivisions or the state or federal government"

And when so amended the bill do pass. Amendments adopted. Report

adopted.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was re-referred

S.F. No. 1590: A bill for an act relating to transportation; providing that uniform relocation assistance standards comply with recent amendments to federal law; authorizing commissioner of transportation to accept gifts to department; requiring metropolitan counties to levy wheelage taxes; repealing certain mandatory levy requirements; appropriating gift funds to commissioner; exempting lessees of highway easement property from tax on its use and possession; providing that governmental body may file deed conveying partial parcel of land without current taxes having been paid on whole parcel; repealing conflicting provision related to charges for users of air transportation services provided by the commissioner of transportation; amending Minnesota Statutes 1986, section 161.20, by adding a subdivision; 163.051; Minnesota Statutes 1987 Supplement, sections 117.52, subdivision 1; 272.01, subdivision 3; and 272.121; repealing Minnesota Statutes 1986, section 360.015, subdivision 20.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 2 to 5, delete section 3

Page 7, line 34, delete "*Section 3 is*"

Page 7, delete line 35

Page 7, line 36, delete "*4 to 6*" and insert "*3 to 5*"

Amend the title as follows:

Page 1, delete lines 6 and 7

Page 1, line 17, delete "163.051;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was re-referred

S.F. No. 1974: A bill for an act relating to the Ramsey-Washington metro watershed district; authorizing a tax for the district's administrative fund.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 17, insert:

"Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective for taxes levied in 1988, payable in 1989, and thereafter."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 2095: A bill for an act relating to education; establishing general education revenue for fiscal year 1990; modifying aspects of educational programs for American Indian people; providing for certain levying authority and limitations; modifying certain levies, aid, and grant programs; establishing learning year program sites; providing for revenue for school facilities; appropriating money; amending Minnesota Statutes 1986, sections 120.08, subdivision 2; 121.15; 124.214, subdivision 2; 124.48, subdivision 2; 126.151; 126.45; 126.46; 126.47; 126.49, subdivision 1; 126.51, subdivisions 1, 2, 4, and by adding a subdivision; 126.52; 126.531; 126.56, subdivision 2; 129B.20, subdivision 1; 136D.74, by adding subdivisions; 136D.81; 275.125, by adding subdivisions; 354.52, subdivision 4; 354A.12, subdivision 2; Minnesota Statutes 1987 Supplement, sections 120.17, subdivision 3b; 121.912, subdivision 1; 124.17, subdivision 1; 124.214, subdivision 3; 124.225, subdivision 8a; 124.244; 124A.22, subdivision 2, and by adding a subdivision; 124A.23, subdivisions 1 and 5; 124A.28, subdivision 1; 126.22, subdivisions 2 and 3; 126.23; 129B.11, subdivision 2, and by adding a subdivision; 129B.53, by adding a subdivision; 129B.55, by adding a subdivision; 136D.27; 136D.87; 275.125, subdivision 5; Laws 1959, chapter 462, section 3, subdivision 4, as amended; Laws 1987, chapter 398, articles 3, section 39, subdivisions 2 and 7; and 10, section 2, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapters 120, 121, 124, 124A, 125, 126, 129B, and 135A; repealing Minnesota Statutes 1986, sections 120.0752, as amended; 126.51, subdivision 3; Minnesota Statutes 1987 Supplement, sections 123.3515; 124A.27, subdivision 10; and Laws 1984, chapter 463, article 7, section 45.

Reports the same back with the recommendation that the bill be amended as follows:

Page 17, line 25, before the period, insert "*from the time it is reasonably expected that a position will become available until the position is filled or September 1, whichever is earlier*"

Page 21, delete section 15

Page 22, after line 27, insert:

"The state board of education, with the advice of the Minnesota Indian scholarship committee, shall develop a scholarship program for American Indian people to become teachers. The program may involve incentives for students, such as loans that are forgiven, in part, upon completing three years of teaching. If requested, the higher education coordinating board shall assist the state board or the committee in developing the program. The program plan shall be reported to the education committees of the legislature by January 1, 1989."

Page 25, delete section 20 and insert:

"Sec. 19. [APPROPRIATION FOR GRANTS FOR INDIAN TEACHERS.]

There is appropriated \$71,000 from the general fund to the state board of education for fiscal year 1989 for a grant to assist American Indian people to become teachers and to provide additional education for American Indian teachers. The state board may award a joint grant to the University of Minnesota, Duluth, and independent school district No. 709, Duluth, for a cooperative program. To obtain the joint grant, a joint application must be submitted to the state board of education. The application

must be developed with the participation of the district parent advisory committee, established according to Minnesota Statutes, section 126.51, and the Indian advisory committee at the University of Minnesota, Duluth.

The application must set forth the in-kind services to be provided by the University of Minnesota, Duluth. The coordination and mentorship services to be provided by grants to the University of Minnesota, Duluth, and independent school district No. 709 must also be set forth in the application. It must contain recommended criteria for selecting individual scholarship recipients and criteria for scholarship amounts, that may include tuition, fees, books, and living expenses for ten months. The portion of the scholarship attributable to living expenses may be in the form of a loan to be forgiven if the recipient teaches in a Minnesota school for five years. The loan forgiveness program must be developed in consultation with the higher education coordinating board.

Only the following American Indian people may receive scholarships:

(1) students entering the University of Minnesota, Duluth, who intend to become teachers in Minnesota;

(2) teacher aides who are employees of independent school district No. 709, Duluth, and who intend to obtain a teaching license; and

(3) licensed employees of independent school district No. 709 who begin a master of education program.

The joint application shall be submitted to the Minnesota Indian scholarship committee for review and comment.

The state board may award a joint grant in the amount it determines appropriate. Scholarship money shall be included in the amount of the joint grant."

Renumber the sections of article 3 in sequence

Page 30, line 47, after "1988," insert "in consultation" and delete "the approval of"

Page 31, after line 13, insert:

"Sec. 2. [124.477] [BOND ISSUE; MAXIMUM EFFORT SCHOOL LOANS; 1988.]

To provide money to be loaned to school districts as agencies and political subdivisions of the state to acquire and to better public land and buildings and other public improvements of a capital nature, in the manner provided by the maximum effort school aid law, the commissioner of finance shall issue and sell school loan bonds of the state of Minnesota in the maximum amount of \$20,000,000, in addition to the bonds already authorized for this purpose. The same amount is appropriated to the maximum effort school loan fund and must be spent under the direction of the commissioner of education to make debt service loans and capital loans to school districts as provided in sections 124.36 to 124.47. The bonds must be issued and sold and provision for their payment must be made according to section 124.46. Enough money to pay interest on the bonds to and including July 1 in the second year after the date of issue must be credited from the bond proceeds to the school loan bond account in the state bond fund. Expenses incidental to the sale, printing, execution, and delivery of the bonds, including, but without limitation, actual and necessary travel

and subsistence expenses of state officers and employees for those purposes, must be paid from the maximum effort school loan fund, and the money necessary for the expenses is appropriated from that fund."

Page 34, after line 25, insert:

"Sec. 8. [LOAN TO REDWOOD FALLS SCHOOL DISTRICT.]

The legislature approves a capital loan in the amount of not more than \$6,285,000 to independent school district No. 637, Redwood Falls, subject to a contingency. If the contingency is met, the commissioner of finance shall issue bonds in the amount necessary to make the loan subject to the limits, conditions, and procedures of Minnesota Statutes, section 124.43, including approval of the state board of education. The loan is to be used to partially pay for a new middle school and senior high school building, and to remodel the Reede Gray Elementary School.

Legislative approval is contingent on the approval by voters of the district as required by Minnesota Statutes, section 124.43, subdivision 2, of borrowing of a total of not more than \$14,605,000 for the project. The contingency is met when the clerk of the district certifies the election results showing the voters' approval to the commissioner of finance.

Sec. 9. [LOAN TO MILACA SCHOOL DISTRICT.]

The legislature approves a capital loan in the amount of not more than \$4,790,865 to independent school district No. 912, Milaca, subject to a contingency. If the contingency is met, the commissioner of finance shall issue bonds in the amount necessary to make the loan subject to the limits, conditions, and procedures of Minnesota Statutes, section 124.43, including approval of the state board of education. The loan is to be used to partially pay for one new middle school and for an addition to, and remodeling of, the existing elementary school.

Legislative approval is contingent on the approval by voters of the district as required by Minnesota Statutes, section 124.43, subdivision 2, of borrowing a total of not more than \$13,000,000 for the project. The contingency is met when the clerk of the district certifies the election results showing the voters' approval to the commissioner of finance.

Sec. 10. [LOAN TO HOLDINGFORD SCHOOL DISTRICT.]

The legislature approves a capital loan in the amount of not more than \$1,300,000 to independent school district No. 738, Holdingford, subject to a contingency. If the contingency is met, the commissioner of finance shall issue bonds in the amount necessary to make the loan subject to the limits, conditions, and procedures of Minnesota Statutes, section 124.43, including approval of the state board of education. The loan is to be used to partially pay for an addition to, and remodeling of, the secondary school, and remodeling of one classroom in the elementary school.

Legislative approval is contingent on the approval by voters of the district as required by Minnesota Statutes, section 124.43, subdivision 2, of borrowing of a total of not more than \$4,700,000 for the project. The contingency is met when the clerk of the district certifies the election results showing the voters' approval to the commissioner of finance."

Page 34, line 28, delete "23" and insert "24"

Page 34, line 31, delete "17" and insert "18"

Page 35, line 17, delete "and"

Page 35, line 18, before the period, insert "; and
(18) associations representing nonpublic education"

Page 37, after line 27, insert:

"Subd. 5. [NORTHEAST MINNESOTA TECHNOLOGY CONSORTIUM.] For a grant to the northeast Minnesota technology and education consortium to develop a pilot computer technology program, there is appropriated:

\$50,000 1989."

Renumber the sections of article 5 in sequence

Page 39, after line 30, insert:

"Sec. 2. Minnesota Statutes 1987 Supplement, section 120.0752, subdivision 3, is amended to read:

Subd. 3. [11TH AND 12TH GRADE STUDENTS.] Notwithstanding subdivision 2, an 11th or 12th grade pupil who has been enrolled in a district ~~for at least three consecutive years~~ and whose parent or guardian moves to another district, may continue to enroll in the nonresident district upon the approval of the school board of the nonresident district. The approval of the school board of the pupil's resident district is not required. The pupil shall be considered a resident of the district in which that ~~student~~ pupil is enrolled."

Page 44, line 30, strike "where" and insert a period and strike "are" and insert "must be"

Page 44, line 32, before the period, insert "and either of the following:

(i) there is a significant distance between buildings in the district so that other forms of cooperation are not practical, or

(ii) the districts have a combined area of at least 500 square miles"

Page 45, after line 35, insert:

"Sec. 17. Minnesota Statutes 1986, section 134.351, subdivision 7, is amended to read:

Subd. 7. [REPORTS.] Each multicounty, multitype system receiving a grant pursuant to section 134.353 or section 134.354 shall provide an annual progress report to the department of education. The department shall report before November 15 of each *even-numbered* year to the legislature on all projects funded under section 134.353 and section 134.354."

Page 55, delete lines 28 and 29

Page 55, line 31, before the period, insert "effective July 1, 1989" and after the period, insert "Minnesota Statutes 1986, sections 121.9121, subdivision 7; 123.703, subdivision 3; 129B.75; and" and delete "is" and insert "are"

Page 55, line 32, before the period, insert "effective July 1, 1988"

Page 55, line 34, delete "10" and insert "11"

Page 55, line 35, delete "9, 17, and 18" and insert "10, 19, and 20"

Page 56, lines 1 and 2, delete "16" and insert "18"

Page 56, delete line 8

Renumber the sections of article 6 in sequence

Page 56, delete lines 12 to 14

Page 56, line 15, delete "Subd. 2." and insert "Subdivision 1."

Page 56, line 20, delete "3" and insert "2"

Page 61, line 6, delete "biannually" and insert "biennially"

Page 63, after line 7, insert:

"Subd. 9. [FUND ALLOCATION.] School facilities revenue may be allocated to the capital expenditure fund or the debt service fund. Each year a district shall notify the department about the amount of the school facilities revenue to be allocated to each fund. The department shall calculate the aid and levy for each fund and reduce the debt service levy of the district by the amount of the levy allocated to the debt service fund."

Page 63, line 8, delete "9" and insert "10"

Amend the title as follows:

Page 1; line 15, after the first semicolon, insert "134.351, subdivision 7;"

Page 1, line 18, after "sections" insert "120.0752, subdivision 3;"

Page 1, line 32, delete ", and 135A"

Page 1, line 33, delete "120.0752, as amended;" and insert "121.9121, subdivision 7; 123.703, subdivision 3;"

Page 1, line 34, after the first semicolon, insert "129B.75;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2468 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2468	2196				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2468 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2468 and insert the language after the enacting clause of S.F. No. 2196, the first engrossment; further, delete the title of H.F. No. 2468 and insert the title of S.F. No. 2196, the first engrossment.

And when so amended H.F. No. 2468 will be identical to S.F. No. 2196, and further recommends that H.F. No. 2468 be given its second reading and substituted for S.F. No. 2196, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the

Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 2145, 1756, 632, 1672, 2136, 2411, 1154, 479, 2259, 22, 1706, 1590, 1974 and 2095 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 1459, 1864, 289 and 2468 were read the second time.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate proceeded to the Order of Business of Introduction and First Reading of Senate Bills.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

Mr. Merriam, for the Committee on Finance, introduced—

S.F. No. 2565: A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and other agencies with certain conditions; amending Minnesota Statutes 1986, section 84B.11, subdivision 2.

Under the rules of the Senate, laid over one day.

Mr. Pogemiller introduced—

S.F. No. 2566: A bill for an act relating to state employees; authorizing the purchase of certain insurance coverage by retired legislative employees; amending Minnesota Statutes 1986, section 43A.27, subdivision 4.

Referred to the Committee on Governmental Operations.

Messrs. Frederickson, D.R.; Purfeerst; Lessard; Morse and Davis introduced—

S.F. No. 2567: A bill for an act relating to taxation; changing the rate of gross premiums tax imposed on certain mutual insurance companies; amending Minnesota Statutes 1987 Supplement, section 60A.15, subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the General Orders Calendar. The motion prevailed.

GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Hughes in the chair.

After some time spent therein, the committee arose, and Mr. Hughes reported that the committee had considered the following:

S.F. Nos. 2390, 1817, 203, H.F. Nos. 1980, 2490, 2469, 1950, 2615, 2372, 2554, 2025, 2109, 2046, 1966, 1877, 2132, 2637, 2529 and 2735, which the committee recommends to pass.

H.F. No. 2000, which the committee recommends to pass with the following amendments offered by Messrs. Jude and Ramstad:

Mr. Jude moved to amend H.F. No. 2000 as follows:

Page 2, line 19, after "satisfaction" insert "*or within 30 days of payment by check or other noncertified funds*":

Page 2, after line 19, insert:

"Sec. 2. Minnesota Statutes 1986, section 549.02, is amended to read:
549.02 [COSTS IN DISTRICT COURTS.]

In actions commenced in the district court, costs shall be allowed as follows:

To plaintiff: (1) Upon a judgment in the plaintiff's favor of \$100 or more in an action for the recovery of money only, when no issue of fact or law is joined, \$5; when issue is joined, \$10. (2) In all other actions, including an action by a public employee for wrongfully denied or withheld employment benefits or rights, except as otherwise specially provided, \$10.

To defendant: (1) Upon discontinuance or dismissal, \$5. (2) When judgment is rendered in the defendant's favor on the merits, \$10.

To the prevailing party: (1) \$5.50 for the cost of filing a satisfaction of the judgment."

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "requiring the prevailing party in a civil action to pay the cost of filing a satisfaction of judgment;"

Page 1, line 4, delete "section" and insert "sections" and after "548.15" insert "; and 549.02"

The motion prevailed. So the amendment was adopted.

Mr. Ramstad moved to amend H.F. No. 2000 as follows:

Page 1, after line 6, insert:

"Section 1. Minnesota Statutes 1986, section 480.061, subdivision 1, is amended to read:

Subdivision 1. [POWER TO ANSWER.] The supreme court may answer questions of law certified to it by the supreme court of the United States, a court of appeals of the United States, a United States district court, a *United States bankruptcy court*, or the highest appellate court or the intermediate appellate court of any other state, when requested by the certifying court if there are involved in any proceeding before it questions of law of this state which may be determinative of the cause then pending in the

certifying court and as to which it appears to the certifying court there is no controlling precedent in the decisions of the supreme court of this state."

Renumber the sections in sequence

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 1534, which the committee recommends to pass with the following amendment offered by Mr. Pogemiller:

Page 3, line 9, strike "Barber" and strike "schools shall open at 8:00 a.m."

Page 3, strike line 10

The motion prevailed. So the amendment was adopted.

H.F. No. 1748, which the committee recommends to pass with the following amendment offered by Mr. Solon:

Amend H.F. No. 1748, as amended pursuant to Rule 49, adopted by the Senate March 21, 1988, as follows:

(The text of the amended House File is identical to S.F. No. 1972.)

Page 1, after line 16, insert:

"Sec. 2. Minnesota Statutes 1986, section 256C.03, is amended to read:
256C.03 [BLIND OR DEAF PEDESTRIANS; CIVIL LIABILITY.]

The driver of a vehicle approaching a totally or partially blind pedestrian who is carrying a cane predominantly white or metallic in color, with or without a red tip, or using a ~~guide~~ *guide service* dog, or totally or partially deaf person with a ~~guide~~ *guide service* dog identified with a burnt orange collar or leash, shall bring such vehicle to a stop and give the right of way at any intersection of any street, avenue, alley or other public highway to such blind or deaf pedestrian."

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "clarifying terms;" and delete "section" and insert "sections"

Page 1, line 5, before the period, insert "; and 256C.03"

The motion prevailed. So the amendment was adopted.

H.F. No. 1795, which the committee recommends to pass with the following amendment offered by Ms. Peterson, D.C.:

Amend H.F. No. 1795, as amended pursuant to Rule 49, adopted by the Senate March 22, 1988, as follows:

(The text of the amended House File is identical to S.F. No. 1617.)

Page 3, after line 4, insert:

"(h) No provision of the code or appendix chapter of the code may prohibit double cylinder dead bolt locks in existing single-family homes, townhouses, and first floor duplexes used exclusively as a residential dwelling. Any recommendation or promotion of double cylinder dead bolt locks must include a warning about their potential fire danger and procedures to minimize the danger."

Amend the title as follows:

Page 1, line 5, after the semicolon, insert "allowing use of double cylinder dead bolt locks in certain instances;"

The motion prevailed. So the amendment was adopted.

S.F. No. 2003, which the committee recommends to pass with the following amendments offered by Messrs. Moe, D.M. and Wegscheid:

Mr. Moe, D.M. moved to amend S.F. No. 2003 as follows:

Page 2, strike lines 15 and 16

Page 2, after line 20, insert:

"Commissioner of trade and economic development;"

Page 4, after line 1, insert:

"Sec. 4. Minnesota Statutes 1987 Supplement, section 43A.08, subdivision 1a, is amended to read:

Subd. 1a. [ADDITIONAL UNCLASSIFIED POSITIONS.] Appointing authorities for the following agencies may designate additional unclassified positions according to this subdivision: the departments of administration; agriculture; commerce; corrections; jobs and training; education; employee relations; ~~energy trade~~ and economic development; finance; health; human rights; labor and industry; natural resources; office of administrative hearings; public safety; public service; ~~public welfare~~ *human services*; revenue; transportation; and veterans affairs; the housing finance, state planning, and pollution control agencies; the state board of investment; *the waste management board*; the offices of the secretary of state, state auditor, and state treasurer; the state board of vocational technical education; and the school and resource center for the arts.

A position designated by an appointing authority according to this subdivision must meet the following standards and criteria:

(a) (1) the designation of the position would not be contrary to other law relating specifically to that agency;

(b) (2) the person occupying the position would report directly to the agency head or deputy agency head and would be designated as part of the agency head's management team;

(c) (3) the duties of the position would involve significant discretion and substantial involvement in the development, interpretation, and implementation of agency policy;

(d) (4) the duties of the position would not require primarily personnel, accounting, or other technical expertise where continuity in the position would be important;

(e) (5) there would be a need for the person occupying the position to be accountable to, loyal to, and compatible with the governor and the agency head, or the employing constitutional officer;

(f) (6) the position would be at the level of division or bureau director or assistant to the agency head; and

(g) (7) the commissioner has approved the designation as being consistent with the standards and criteria in this subdivision."

Page 20, line 18, delete "1990" and insert "1989"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 19, after the semicolon, insert "43A.08, subdivision 1a"

The motion prevailed. So the amendment was adopted.

Mr. Wegscheid moved to amend S.F. No. 2003 as follows:

Page 11, line 13, delete everything after "operation"

Page 11, delete line 14

Page 11, line 15, delete "university," and insert "at a member institution of the state university system, if the food service was operated by the institution itself before it was turned over to a contractor and"

Page 20, after line 28, insert:

"Sec. 27. [CERTAIN FOOD SERVICE EMPLOYEES.]

Food service employees covered by section 14 who participate in the state group insurance plan are transferred to the public employees insurance plan under Minnesota Statutes, section 43A.316, effective January 1, 1990. Food service employees covered by section 14 who do not participate in the state group insurance plan are eligible to participate in the public employees insurance plan under Minnesota Statutes, section 43A.316, effective September 1, 1989."

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Moe, D.M. moved to amend S.F. No. 2003 as follows:

Page 3, after line 25, insert:

"Sec. 3. Minnesota Statutes 1986, section 15A.083, subdivision 7, is amended to read:

Subd. 7. [WORKERS' COMPENSATION COURT OF APPEALS AND COMPENSATION JUDGES.] Salaries of judges of the workers' compensation court of appeals shall be 90 percent of the salary for district judges as provided in subdivision 1. Salaries of compensation judges shall be 75 percent of the salary of district court judges as provided in subdivision 1. *The chief workers' compensation settlement judge at the department of labor and industry may be paid an annual salary that is up to five percent greater than the salary of workers' compensation settlement judges at the department of labor and industry."*

Page 16, after line 33, insert:

"Sec. 23. Minnesota Statutes 1986, section 175.101, is amended by adding a subdivision to read:

Subd. 4. A chief workers' compensation settlement judge at the department of labor and industry may be appointed by and serve at the pleasure of the commissioner."

Renumber the sections in sequence

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 1589, which the committee recommends to pass with the following amendment offered by Mr. Jude:

Amend H.F. No. 1589, as amended pursuant to Rule 49, adopted by the Senate March 17, 1988, as follows:

(The text of the amended House File is identical to S.F. No. 1615.)

Page 3, line 6, delete "is"

Page 3, delete lines 7 to 11 and insert "*delays application of this subdivision to the covenants, conditions, or restrictions for a period ending on the later of seven years after the date of filing of the notice, or until final judgment is entered in an action to determine the validity of the covenants, conditions, or restrictions, provided in the case of an action the summons and complaint must be served and a notice of lis pendens must be recorded in the office of the county recorder or filed in the office of the registrar of titles in each county in which the real estate affected is located within seven years after the date of recording or filing of the notice under clause (2) or (7).*"

The motion prevailed. So the amendment was adopted.

S.F. No. 1940, which the committee recommends to pass with the following amendment offered by Mr. Solon:

Page 1, line 14, delete everything after the first "bus" and insert a period

Page 1, after line 14, insert:

"Sec. 2. [REPEALER.]

Section 1 is repealed August 1, 1991.

Sec. 3. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to the Duluth transit authority; authorizing it to transport students."

The motion prevailed. So the amendment was adopted.

H.F. No. 1957, which the committee reports progress, subject to the following motion:

Ms. Berglin moved to amend H.F. No. 1957, as amended pursuant to Rule 49, adopted by the Senate March 23, 1988, as follows:

(The text of the amended House File is identical to S.F. No. 2207.)

Page 2, delete line 8

Page 3, line 5, delete "SEALING RECORDS" and insert "CONFIDENTIAL INFORMATION"

Page 3, delete lines 6 to 9 and insert:

"Information disclosed under this section shall be confidential and may not be made available to any person for any purpose other than the adjudication, appeal, modification or enforcement of judgment of an action affecting the family of the disclosing parties.

Sec. 3. Minnesota Statutes 1986, section 518B.01, is amended by adding a subdivision to read:

Subd. 19. [RECORDING REQUIRED.] Proceedings under this section must be recorded."

Renumber the sections in sequence

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 1957 was then progressed.

On motion of Mr. Moe, R.D., the report of the Committee of the Whole, as kept by the Secretary, was adopted.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Frederickson, D.R. moved that S.F. No. 1762, No. 96 on General Orders, be stricken and re-referred to the Committee on Judiciary. The motion prevailed.

Mr. Frederickson, D.J. moved that his name be stricken as chief author, shown as a co-author and the name of Mr. Pogemiller be added as chief author to S.F. No. 2196. The motion prevailed.

Mr. Solon moved that S.F. No. 1984, No. 74 on General Orders, be stricken and re-referred to the Committee on Agriculture. The motion prevailed.

Mr. Chmielewski moved that S.F. No. 2010, No. 72 on General Orders, be stricken and re-referred to the Committee on Environment and Natural Resources. The motion prevailed.

Mr. Luther moved that S.F. No. 2425, No. 128 on General Orders, be stricken and re-referred to the Committee on Judiciary. The motion prevailed.

Mr. Lessard moved that S.F. No. 1682, No. 29 on General Orders, be stricken and re-referred to the Committee on Environment and Natural Resources. The motion prevailed.

MEMBERS EXCUSED

Mr. Freeman was excused from the Session of today from 12:00 noon to 12:45 p.m. Mr. DeCramer was excused from the Session of today from 1:00 to 3:00 p.m. Mr. Johnson, D.E. was excused from the Session of today from 1:15 to 4:00 p.m. Mr. Hughes was excused from the Session of today from 2:00 to 2:30 p.m. Mr. Lessard was excused from the Session of today from 2:00 to 3:00 p.m. Mr. Pehler was excused from the Session of today from 3:45 to 4:45 p.m. Mr. Novak was excused from the Session of today from 2:15 to 5:00 p.m. Mr. Knaak was excused from this evening's Session. Mr. Peterson, R.W. was excused from the Session of today at 8:45 p.m. Mrs. McQuaid was excused from the Session of today at 9:30 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:00 noon, Friday, March 25, 1988. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

SEVENTY-SIXTH DAY

St. Paul, Minnesota, Friday, March 25, 1988

The Senate met at 12:00 noon and was called to order by the President.

CALL OF THE SENATE

Mr. Frederickson, D.J. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Monsignor Ambrose V. Hayden.

The roll was called, and the following Senators answered to their names:

Adkins	Davis	Jude	Metzen	Renneke
Anderson	Decker	Knaak	Moe, D.M.	Samuelson
Beckman	DeCramer	Knutson	Moe, R.D.	Schmitz
Belanger	Dicklich	Kroening	Morse	Solon
Benson	Diessner	Laidig	Novak	Spear
Berg	Frank	Langseth	Olson	Storm
Berglin	Frederick	Lantry	Pehler	Stumpf
Bernhagen	Frederickson, D.J.	Larson	Peterson, D.C.	Taylor
Bertram	Frederickson, D.R.	Lessard	Peterson, R.W.	Vickerman
Brandl	Freeman	Luther	Piper	Waldorf
Brataas	Gustafson	Marty	Pogemiller	Wegscheid
Chmielewski	Hughes	McQuaid	Purfeerst	
Cohen	Johnson, D.E.	Mehrrens	Ramstad	
Dahl	Johnson, D.J.	Merriam	Reichgott	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S.F. No. 1607.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 24, 1988

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 1622: A bill for an act relating to agriculture; clarifying which debtors are eligible for mediation; amending Minnesota Statutes 1986, section 583.24, subdivision 2.

Senate File No. 1622 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 24, 1988

CONCURRENCE AND REPASSAGE

Mr. Stumpf moved that the Senate concur in the amendments by the House to S.F. No. 1622 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1622: A bill for an act relating to agriculture; clarifying which debtors are eligible for mediation; amending Minnesota Statutes 1986, section 583.24, subdivision 2; Minnesota Statutes 1987 Supplement, section 583.26, subdivision 5.

Was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Mehrkens	Purfeerst
Anderson	Decker	Knaak	Merriam	Ramstad
Beckman	DeCramer	Knutson	Metzen	Reichgott
Belanger	Dicklich	Kroening	Moe, D.M.	Renneke
Benson	Diessner	Laidig	Morse	Samuelson
Berg	Frank	Langseth	Novak	Schmitz
Bernhagen	Frederick	Lantry	Olson	Spear
Bertram	Frederickson, D.J.	Larson	Pehler	Storm
Brandl	Frederickson, D.R.	Lessard	Peterson, D.C.	Stumpf
Brataas	Freeman	Luther	Peterson, R.W.	Taylor
Chmielewski	Hughes	Marty	Piper	Vickerman
Dahl	Johnson, D.E.	McQuaid	Pogemiller	Wegscheid

So the bill, as amended, was repassed and its title was agreed to.

NOTICE OF RECONSIDERATION

Mr. Merriam gave notice of his intention to move for reconsideration of S.F. No. 1622.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 1644: A bill for an act relating to statutes; revising the text of certain laws to remove redundant and obsolete language, to simplify grammar and syntax, and to improve the style of language without causing changes in the meaning of the laws; amending Minnesota Statutes 1986,

chapters 3, as amended; 31A; 227; 228; 306, as amended; 451; 456; and 560.

Senate File No. 1644 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 24, 1988

CONCURRENCE AND REPASSAGE

Mr. Marty moved that the Senate concur in the amendments by the House to S.F. No. 1644 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1644 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 57 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Frank	Laidig	Morse	Samuelson
Anderson	Frederick	Långseth	Novak	Schmitz
Beckman	Frederickson, D.J.	Lantry	Olson	Spear
Belanger	Frederickson, D.R.	Larson	Pehler	Storm
Bernhagen	Freeman	Lessard	Peterson, D.C.	Stumpf
Bertram	Gustafson	Luther	Peterson, R.W.	Taylor
Dahl	Hughes	Marty	Piper	Vickerman
Davis	Johnson, D.E.	McQuaid	Pogemiller	Waldorf
Decker	Jude	Mehrkens	Purfeerst	Wegscheid
DeCramer	Knaak	Merriam	Ramstad	
Dicklich	Knutson	Metzen	Reichgott.	
Diessner	Kroening	Moe, D.M.	Renneke	

So the bill, as amended, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 1223: A bill for an act relating to state departments and agencies; creating a commission for the quincentennial of the Hispanic presence in the western hemisphere.

Senate File No. 1223 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 24, 1988

CONCURRENCE AND REPASSAGE

Mr. Spear moved that the Senate concur in the amendments by the House to S.F. No. 1223 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1223 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Knutson	Metzen	Reichgott
Anderson	Diessner	Kroening	Moe, D.M.	Renneke
Beckman	Frank	Laidig	Morse	Samuelson
Belanger	Frederick	Langseth	Novak	Schmitz
Berglin	Frederickson, D.I.	Lantry	Olson	Solon
Bernhagen	Frederickson, D.R.	Larson	Pehler	Spear
Bertram	Freeman	Lessard	Peterson, D.C.	Storm
Brandl	Gustafson	Luther	Peterson, R.W.	Stumpf
Dahl	Hughes	Marty	Piper	Taylor
Davis	Johnson, D.E.	McQuaid	Pogemiller	Vickerman
Decker	Jude	Mehrkens	Purfeerst	Waldorf
DeCramer	Knaak	Merriam	Ramstad	Wegscheid

So the bill, as amended, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 2134: A bill for an act relating to St. Louis county; requiring a polling place at a certain location.

Senate File No. 2134 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 24, 1988

CONCURRENCE AND REPASSAGE

Mr. Dicklich moved that the Senate concur in the amendments by the House to S.F. No. 2134 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 2134 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 55 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Knutson	Metzen	Renneke
Anderson	Frank	Kroening	Morse	Samuelson
Beckman	Frederick	Laidig	Olson	Schmitz
Belanger	Frederickson, D.J.	Langseth	Pehler	Solon
Berglin	Frederickson, D.R.	Lantry	Peterson, D.C.	Spear
Bernhagen	Freeman	Larson	Peterson, R.W.	Storm
Bertram	Gustafson	Lessard	Piper	Stumpf
Dahl	Hughes	Luther	Pogemiller	Taylor
Davis	Johnson, D.E.	Marty	Purfeerst	Vickerman
Decker	Jude	McQuaid	Ramstad	Waldorf
DeCramer	Knaak	Mehrkens	Reichgott	Wegscheid

Mr. Merriam voted in the negative.

So the bill, as amended, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 321: A bill for an act relating to public safety; expanding the crimes of driving a motor vehicle or a motorboat while under the influence of alcohol or certain substances; amending Minnesota Statutes 1986, sections 169.121, subdivisions 1 and 2; and 361.12, subdivisions 1 and 4.

Senate File No. 321 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 24, 1988

Mr. Merriam moved that the Senate do not concur in the amendments by the House to S.F. No. 321, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 85:

H.F. No. 85: A bill for an act relating to consumer protection; requiring certain disclosures in sales of used motor vehicles; regulating new and used motor vehicle licenses; providing certain standards in applications for certificates of title; requiring certain disclosures upon the transfer of a motor vehicle; amending Minnesota Statutes 1986, sections 168.27, subdivisions 1, 2, 3, 4, 8, 10, 12, and 24; 169.57, by adding a subdivision; 325E.0951, by adding a subdivision; 325G.18; and 336.2-316; proposing coding for new law in Minnesota Statutes, chapters 168 and 168A.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Begich, O'Connor and Brown have been appointed as such committee on the part of the House.

House File No. 85 is herewith transmitted to the Senate with the request

that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 24, 1988

Mr. Dahl moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 85, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1831:

H.F. No. 1831: A bill for an act relating to intoxicating liquor; authorizing issuance of one on-sale liquor license on an excursion and dinner boat on Detroit Lake, Becker county; authorizing issuance of an on-sale liquor license to Fort Snelling.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Poppenhagen, McEachern and Sarna have been appointed as such committee on the part of the House.

House File No. 1831 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 24, 1988

Mr. Larson moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1831, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1790.

H.F. No. 1790: A bill for an act relating to commerce; safe deposit companies; providing for performance of will searches upon safe deposit box renter's death; amending Minnesota Statutes 1986, section 55.10, by adding a subdivision.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Skoglund, Bishop and Wagenius have been appointed as such committee on the part of the House.

House File No. 1790 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 24, 1988

Mr. Solon moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1790, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 2006, 2108, 2192, 2317, 2546, 1526, 2086, 2341, 2088 and 2477.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 24, 1988

FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H.F. No. 2006: A bill for an act relating to crimes; providing for the admissibility of certain evidence in domestic violence cases; requiring prosecutors to notify domestic violence victims of a decision to decline prosecution or to dismiss criminal charges; requiring peace officers to inform domestic violence victims of the prosecutor's notification duty; amending Minnesota Statutes 1986, section 629.341, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 609 and 611A.

Referred to the Committee on Judiciary.

H.F. No. 2108: A bill for an act relating to state government; ratifying labor agreements, compensation plans, and salaries for state employees, and salaries for certain employees of metropolitan agencies; limiting the number of highway patrol supervisors; amending Minnesota Statutes 1986, section 299D.03, subdivision 2.

Referred to the Committee on Finance.

H.F. No. 2192: A bill for an act relating to transportation; providing for application of rules; providing for agreements with other states to administer special permits for vehicles exceeding weight and length restrictions; exempting limousines from motor carrier regulation; clarifying the filing of petitions for operating certificates and permits, carrying of cab cards, and requirements for private carriers; establishing insurance requirements; providing that investigative data on violations under chapter 221 may be given to transportation regulation board; amending Minnesota Statutes 1986, sections 169.86, by adding a subdivision; 221.025; 221.031, subdivisions 1, 2, 2a, and 3; 221.081; 221.121, subdivisions 1 and 5; 221.141, subdivision 1; 221.151, subdivision 1; 221.172, subdivision 2; 221.185, subdivision 9; 221.291, subdivisions 1 and 2; 221.296, subdivisions 4 and 8; and 221.81, subdivision 3a; Minnesota Statutes 1987 Supplement, sections 221.031, subdivision 7; 221.061; 221.291, subdivision 3; and 221.296, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters

169 and 221; repealing Minnesota Statutes 1986, section 13.72, subdivision 3.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1876, now on General Orders.

H.F. No. 2317: A bill for an act relating to education; providing for use of certain revenues in the independent school district No. 710 bond redemption fund; amending Laws 1982, chapter 523, article 30, section 4, subdivision 3.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1817, now on the Calendar.

H.F. No. 2546: A bill for an act relating to commerce; regulating preparation of certain information for membership camping contract applications and subdivider qualification statements; prohibiting certain misleading and deceptive practices; prohibiting advance payments relating to resale of time share property interests; amending Minnesota Statutes 1986, sections 83.29, subdivisions 2 and 5; and 83.44; Minnesota Statutes 1987 Supplement, sections 82A.04, subdivision 2; 82A.09, subdivision 3; and 83.23, subdivision 3; repealing Minnesota Statutes 1986, section 82A.09, subdivision 1.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2300, now on General Orders.

H.F. No. 1526: A bill for an act relating to transportation; defining motor vehicle; providing for brakes on motor vehicles manufactured after June 30, 1988; amending Minnesota Statutes 1986, sections 168.011, subdivision 4; and 169.67, subdivisions 3 and 4.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1060, now on the Calendar.

H.F. No. 2086: A bill for an act relating to motor vehicles; removing language regarding restricted gasoline fill pipes; amending Minnesota Statutes 1986, section 325E.0951.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1980, now on General Orders.

H.F. No. 2341: A bill for an act relating to child support; authorizing parties to waive automatic income withholding when there is a child support or maintenance order; providing that a court shall stay service of an automatic withholding order if an obligor establishes an escrow account for payment of child support or maintenance; amending Minnesota Statutes 1987 Supplement, section 518.613, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 518.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2506, now on General Orders.

H.F. No. 2088: A bill for an act relating to agriculture; protecting certain persons from eviction from agricultural land for a limited time; amending Minnesota Statutes 1986, section 500.24, by adding a subdivision.

Referred to the Committee on Agriculture.

H.F. No. 2477: A bill for an act relating to retirement; local government correctional service retirement plan; clarifying coverage periods; adjusting member and employer contribution rates; clarifying annuity calculations

for fractional service; clarifying the duration of initial annuity payments; providing for the augmentation of deferred annuities; clarifying certain provisions of law relating to retirement annuities and disability benefits of military affairs personnel; amending Minnesota Statutes 1987 Supplement, sections 352.85, subdivisions 1 and 2; 353C.03; 353C.05; 353C.06, subdivisions 3 and 4; and 353C.07.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2175, now on General Orders.

REPORTS OF COMMITTEES

Mr. Luther moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2551 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2551	2215				

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2489 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2489	2216				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2489 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2489 and insert the language after the enacting clause of S.F. No. 2216, the first engrossment; further, delete the title of H.F. No. 2489 and insert the title of S.F. No. 2216, the first engrossment.

And when so amended H.F. No. 2489 will be identical to S.F. No. 2216, and further recommends that H.F. No. 2489 be given its second reading and substituted for S.F. No. 2216, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the

Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2596 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2596	2513				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2596 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2596 and insert the language after the enacting clause of S.F. No. 2513, the first engrossment; further, delete the title of H.F. No. 2596 and insert the title of S.F. No. 2513, the first engrossment.

And when so amended H.F. No. 2596 will be identical to S.F. No. 2513, and further recommends that H.F. No. 2596 be given its second reading and substituted for S.F. No. 2513, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. No. 2565 was read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 2551, 2489 and 2596 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Pogemiller moved that the name of Mr. Diessner be added as a co-author to S.F. No. 2016. The motion prevailed.

Mr. Lessard moved that the name of Mr. Beckman be added as a co-author to S.F. No. 2098. The motion prevailed.

Mr. Brandl moved that the names of Messrs. Cohen, Freeman, Mses. Berglin and Peterson, D.C. be added as co-authors to S.F. No. 2390. The motion prevailed.

Mr. Beckman introduced—

Senate Resolution No. 128: A Senate resolution congratulating South Central Electric Association on its 50th Annual Celebration, March 26, 1988.

Referred to the Committee on Rules and Administration.

Messrs. Moe, R.D. and Moe, D.M. introduced—

Senate Resolution No. 129: A Senate resolution congratulating the Pirates Boys' Basketball Team from Crookston High School for winning the Region 8A Championship.

Mr. Luther moved that Senate Resolution No. 129 be laid on the table. The motion prevailed.

Messrs. Moe, R.D. and Moe, D.M. introduced—

Senate Resolution No. 130: A Senate resolution congratulating the Pirates Boys' Wrestling Team from Crookston High School for winning the Region 8A Championship.

Mr. Luther moved that Senate Resolution No. 130 be laid on the table. The motion prevailed.

RECONSIDERATION

Mr. Stumpf moved that the vote whereby S.F. No. 1622 was passed by the Senate on March 25, 1988, be now reconsidered. The motion prevailed.

Mr. Stumpf moved that the vote whereby the Senate concurred in the House amendments to S.F. No. 1622 on March 25, 1988, be now reconsidered. The motion prevailed.

S.F. No. 1622: A bill for an act relating to agriculture; clarifying which debtors are eligible for mediation; amending Minnesota Statutes 1986, section 583.24, subdivision 2.

Mr. Stumpf moved that the Senate do not concur in the amendments by the House to S.F. No. 1622, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Luther moved that the Senate take up the General Orders Calendar. The motion prevailed.

GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Hughes in the chair.

After some time spent therein, the committee arose, and Mr. Hughes reported that the committee had considered the following:

H.F. No. 2059, which the committee recommends to pass.

H.F. No. 2018, which the committee recommends to pass, subject to the following motion:

Mr. Berg moved that the amendment made to H.F. No. 2018 by the Committee on Rules and Administration in the report adopted March 21, 1988, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

On motion of Mr. Moe, R.D., the report of the Committee of the Whole, as kept by the Secretary, was adopted.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

MOTIONS AND RESOLUTIONS - CONTINUED

SUSPENSION OF RULES

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the Calendar and that the rules of the Senate be so far suspended as to waive the lie-over requirement. The motion prevailed.

CALENDAR

H.F. No. 2272: A bill for an act relating to natural resources; making changes in certain laws relating to forestry; amending Minnesota Statutes 1986, sections 88.19; 89.01, subdivision 5, and by adding a subdivision; 89.17; and 89.19.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.J.	Mehrken's	Purfeerst
Anderson	Davis	Jude	Merriam	Ramstad
Beckman	Decker	Knaak	Metzen	Reichgott
Belanger	DeCramer	Knutson	Moe, D.M.	Renneke
Benson	Dicklich	Kroening	Moe, R.D.	Spear
Berg	Diessner	Laidig	Morse	Storm
Berglin	Frank	Langseth	Novak	Stumpf
Bernhagen	Frederick	Lantry	Olson	Taylor
Bertram	Frederickson, D.J.	Larson	Pehler	Vickerman
Brandl	Frederickson, D.R.	Lessard	Peterson, D.C.	Waldorf
Brataas	Freeman	Luther	Peterson, R.W.	Wegscheid
Chmielewski	Hughes	Marty	Piper	
Cohen	Johnson, D.E.	McQuaid	Pogemiller	

So the bill passed and its title was agreed to.

H.F. No. 2419: A bill for an act relating to criminal procedure; defining "crime" in the law governing issuance of search warrants to include violations of municipal ordinances; amending Minnesota Statutes 1986, section 626.05, by adding a subdivision.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	McQuaid	Pogemiller
Anderson	Davis	Johnson, D.J.	Mehrkens	Purfeerst
Beckman	Decker	Jude	Merriam	Ramstad
Belanger	DeCramer	Knaak	Metzen	Reichgott
Benson	Dicklich	Knutson	Moe, D.M.	Renneke
Berg	Diessner	Kroening	Moe, R.D.	Samuelson
Berglin	Frank	Laidig	Morse	Spear
Bernhagen	Frederick	Langseth	Novak	Storm
Bertram	Frederickson, D.J.	Lantry	Olson	Stumpf
Brandl	Frederickson, D.R.	Larson	Pehler	Taylor
Brataas	Freeman	Lessard	Peterson, D.C.	Vickerman
Chmielewski	Gustafson	Luther	Peterson, R.W.	Waldorf
Cohen	Hughes	Marty	Piper	Wegscheid

So the bill passed and its title was agreed to.

S.F. No. 203: A bill for an act relating to financial institutions; permitting interstate banking with additional reciprocating states; amending Minnesota Statutes 1986, section 48.92, subdivision 7.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 53 and nays 12, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Laidig	Moe, R.D.	Renneke
Anderson	Diessner	Langseth	Morse	Schmitz
Beckman	Frank	Lantry	Novak	Solon
Belanger	Frederickson, D.R.	Larson	Olson	Spear
Benson	Freeman	Lessard	Pehler	Storm
Bernhagen	Gustafson	Luther	Peterson, D.C.	Taylor
Brandl	Hughes	Marty	Peterson, R.W.	Vickerman
Brataas	Johnson, D.E.	McQuaid	Piper	Waldorf
Chmielewski	Jude	Mehrkens	Purfeerst	Wegscheid
Cohen	Knaak	Merriam	Ramstad	
Decker	Knutson	Moe, D.M.	Reichgott	

Those who voted in the negative were:

Berglin	Davis	Frederickson, D.J.	Kroening	Samuelson
Bertram	Dicklich	Johnson, D.J.	Metzen	Stumpf
Dahl	Frederick			

So the bill passed and its title was agreed to.

S.F. No. 2003: A bill for an act relating to state government; providing for salary ranges for certain state employees; clarifying requirements for submitting certain salaries for legislative approval; requiring certain reports; regulating emergency civil service appointments; clarifying limits on certain salaries; authorizing the governor to change the salaries of newly appointed agency heads; regulating affirmative action; regulating separation from certain bargaining units; regulating health and other fringe benefit coverages; providing duties for the commissioner of employee relations; amending Minnesota Statutes 1986, sections 43A.04, subdivision 7; 43A.15, subdivisions 2 and 11; 43A.17, subdivisions 1 and 9; 43A.18, subdivision 5; 43A.19, subdivision 1; 43A.23, subdivisions 1 and 3; 43A.27, subdivision 3, and by adding a subdivision; 175.101, by adding a subdivision; and 179A.10, subdivision 3; Minnesota Statutes 1987 Supplement, sections 15A.081, subdivisions 1 and 7b; 15A.083, subdivision 7; 43A.08, subdivision 1a; 43A.191, subdivision 3; 43A.316, subdivisions 2, 4, 8, and by adding a subdivision; 43A.421; 44A.02, subdivision 1; 79.34, subdivision 1; 176.611, subdivisions 2 and 3a; and 214.04, subdivision 3.

With the unanimous consent of the Senate, Mr. Moe, D.M. moved to amend S.F. No. 2003 as follows:

Page 18, delete lines 18 to 20 and insert:

"Subd. 4. A workers' compensation settlement judge at the department of labor and industry must be appointed as chief workers' compensation judge to serve as chief workers' compensation settlement judge at the pleasure of the commissioner."

The motion prevailed. So the amendment was adopted.

S.F. No. 2003 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 58 and nays 7, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Jude	Moe, R.D.	Renneke
Anderson	Davis	Kroening	Morse	Samuelson
Beckman	Decker	Laidig	Novak	Schmitz
Belanger	DeCramer	Langseth	Olson	Solon
Berg	Dicklich	Lantry	Pehler	Spear
Berghin	Diessner	Lessard	Peterson, D.C.	Stumpf
Bernhagen	Frederickson, D.J.	Luther	Peterson, R.W.	Taylor
Bertram	Frederickson, D.R.	Marty	Piper	Vickerman
Brandl	Freeman	McQuaid	Pogemiller	Waldorf
Brataas	Hughes	Mehrkens	Purfeerst	Wegscheid
Chmielewski	Johnson, D.E.	Metzen	Ramstad	
Cohen	Johnson, D.J.	Moe, D.M.	Reichgott	

Those who voted in the negative were:

Benson	Knaak	Larson	Merriam	Storm
Frank	Knutson			

So the bill, as amended, passed and its title was agreed to.

H.F. No. 1904: A bill for an act relating to liquor; defining the term "restaurant" for purposes of county liquor licenses; amending Minnesota Statutes 1986, section 340A.101, subdivision 25.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.J.	Merriam	Reichgott
Anderson	Davis	Jude	Metzen	Renneke
Beckman	Decker	Knaak	Moe, D.M.	Samuelson
Belanger	DeCramer	Kroening	Moe, R.D.	Schmitz
Benson	Dicklich	Laidig	Morse	Solon
Berg	Diessner	Langseth	Novak	Spear
Berghin	Frank	Lantry	Olson	Storm
Bernhagen	Frederick	Larson	Pehler	Stumpf
Bertram	Frederickson, D.J.	Lessard	Peterson, D.C.	Taylor
Brandl	Frederickson, D.R.	Luther	Piper	Vickerman
Brataas	Freeman	Marty	Pogemiller	Waldorf
Chmielewski	Hughes	McQuaid	Purfeerst	Wegscheid
Cohen	Johnson, D.E.	Mehrkens	Ramstad	

So the bill passed and its title was agreed to.

S.F. No. 2021: A bill for an act relating to elections; providing for accounting for certain contributions; suspending public subsidy expenditure limits under certain circumstances; providing for the distribution of money from the general account of the state elections campaign fund; amending Minnesota Statutes 1986, sections 10A.15, by adding a subdivision; 10A.25, subdivision 10; and 10A.31, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 10A.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 39 and nays 28, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Lantry	Morse	Reichgott
Beckman	Frederickson, D.J.	Lessard	Novak	Samuelson
Berglin	Freeman	Luther	Pehler	Schmitz
Brandl	Hughes	Marty	Peterson, D.C.	Solon
Cohen	Johnson, D.J.	Merriam	Peterson, R.W.	Spear
Davis	Jude	Metzen	Piper	Stumpf
DeCramer	Kroening	Moe, D.M.	Pogemiller	Vickerman
Dicklich	Langseth	Moe, R.D.	Purfeerst	

Those who voted in the negative were:

Anderson	Brataas	Frederickson, D.R.	Larson	Storm
Belanger	Chmielewski	Gustafson	McQuaid	Taylor
Benson	Dahl	Johnson, D.E.	Mehrkens	Waldorf
Berg	Decker	Knaak	Olson	Wegscheid
Bernhagen	Frank	Knutson	Ramstad	
Bertram	Frederick	Laidig	Renneke	

So the bill passed and its title was agreed to.

H.F. No. 1950: A bill for an act relating to watershed districts; setting the limit on certain borrowing authority; amending Minnesota Statutes 1987 Supplement, sections 112.43, subdivision 1; and 112.65, subdivision 2.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Merriam	Ramstad
Anderson	Decker	Knaak	Metzen	Reichgott
Beckman	DeCramer	Knutson	Moe, D.M.	Renneke
Belanger	Dicklich	Kroening	Moe, R.D.	Samuelson
Benson	Diessner	Laidig	Morse	Schmitz
Berg	Frederick	Langseth	Novak	Solon
Berglin	Frederickson, D.J.	Lantry	Olson	Spear
Bernhagen	Frederickson, D.R.	Larson	Pehler	Storm
Bertram	Freeman	Lessard	Peterson, D.C.	Stumpf
Brandl	Gustafson	Luther	Peterson, R.W.	Taylor
Brataas	Hughes	Marty	Piper	Vickerman
Chmielewski	Johnson, D.E.	McQuaid	Pogemiller	Waldorf
Cohen	Johnson, D.J.	Mehrkens	Purfeerst	Wegscheid

So the bill passed and its title was agreed to.

H.F. No. 1877: A bill for an act relating to labor; regulating the labor-management committee grant program; amending Minnesota Statutes 1986, sections 179.81, subdivisions 2 and 4; 179.82; 179.83, subdivision 1; 179.84, subdivision 1; and 179.85; repealing Minnesota Statutes 1986,

sections 179.83, subdivision 2; and 179.84, subdivision 2.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Moe, D.M.	Samuelson
Anderson	Decker	Knutson	Moe, R.D.	Schmitz
Beckman	DeCramer	Kroening	Morse	Solon
Belanger	Diessner	Laidig	Novak	Spear
Benson	Frank	Langseth	Olson	Storm
Berg	Frederick	Lantry	Pehler	Stumpf
Berglin	Frederickson, D.J.	Larson	Peterson, D.C.	Taylor
Bernhagen	Frederickson, D.R.	Lessard	Peterson, R.W.	Vickerman
Bertram	Freeman	Luther	Piper	Waldorf
Brandl	Gustafson	Marty	Pogemiller	Wegscheid
Brataas	Hughes	McQuaid	Purfeerst	
Chmielewski	Johnson, D.E.	Mehrkens	Ramstad	
Cohen	Johnson, D.J.	Merriam	Reichgott	
Dahl	Jude	Metzen	Renneke	

So the bill passed and its title was agreed to.

S.F No. 2165: A bill for an act relating to environment; requiring persons to notify the pollution control agency of and take steps to avoid air pollution; proposing coding for new law in Minnesota Statutes, chapter 116.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Metzen	Renneke
Anderson	Decker	Knaak	Moe, D.M.	Samuelson
Beckman	DeCramer	Knutson	Moe, R.D.	Schmitz
Belanger	Dicklich	Kroening	Morse	Solon
Benson	Diessner	Laidig	Novak	Spear
Berg	Frank	Langseth	Olson	Storm
Berglin	Frederick	Lantry	Pehler	Stumpf
Bernhagen	Frederickson, D.J.	Larson	Peterson, D.C.	Taylor
Bertram	Frederickson, D.R.	Lessard	Peterson, R.W.	Vickerman
Brandl	Freeman	Luther	Piper	Waldorf
Brataas	Gustafson	Marty	Pogemiller	Wegscheid
Chmielewski	Hughes	McQuaid	Purfeerst	
Cohen	Johnson, D.E.	Mehrkens	Ramstad	
Dahl	Johnson, D.J.	Merriam	Reichgott	

So the bill passed and its title was agreed to.

H.F No. 2000: A bill for an act relating to civil actions; requiring the judgment creditor to file satisfaction of judgment documents; amending Minnesota Statutes 1986, section 548.15.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Metzen	Renneke
Anderson	Decker	Knaak	Moe, D.M.	Samuelson
Beckman	DeCramer	Knutson	Moe, R. D.	Schmitz
Belanger	Dicklich	Kroening	Morse	Solon
Benson	Diessner	Laidig	Novak	Spear
Berg	Frank	Langseth	Olson	Storm
Berglin	Frederick	Lantry	Pehler	Stumpf
Bernhagen	Frederickson, D.J.	Larson	Peterson, D.C.	Taylor
Bertram	Frederickson, D.R.	Lessard	Peterson, R. W.	Vickerman
Brandl	Freeman	Luther	Piper	Waldorf
Brataas	Gustafson	Marty	Pogemiller	Wegscheid
Chmielewski	Hughes	McQuaid	Purfeerst	
Cohen	Johnson, D.E.	Mehrkens	Ramstad	
Dahl	Johnson, D.J.	Merriam	Reichgott	

So the bill passed and its title was agreed to.

H.F. No. 2554: A bill for an act relating to education; allowing noncontiguous school districts to consolidate; amending Minnesota Statutes 1986, section 122.23, subdivision 1.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Decker	Jude	Merriam	Ramstad
Anderson	DeCramer	Knaak	Metzen	Reichgott
Beckman	Dicklich	Knutson	Moe, D.M.	Renneke
Belanger	Diessner	Kroening	Moe, R. D.	Samuelson
Benson	Frank	Laidig	Morse	Schmitz
Berg	Frederick	Langseth	Novak	Solon
Berglin	Frederickson, D.J.	Lantry	Olson	Spear
Bernhagen	Frederickson, D.R.	Larson	Pehler	Storm
Bertram	Freeman	Lessard	Peterson, D.C.	Stumpf
Brandl	Gustafson	Luther	Peterson, R. W.	Taylor
Cohen	Hughes	Marty	Piper	Vickerman
Dahl	Johnson, D.E.	McQuaid	Pogemiller	Waldorf
Davis	Johnson, D.J.	Mehrkens	Purfeerst	Wegscheid

Mr. Chmielewski voted in the negative.

So the bill passed and its title was agreed to.

H.F. No. 1966: A bill for an act relating to zoning; providing for filing requirements of variances and certain official maps to real property; amending Minnesota Statutes 1986, section 462.36, subdivision 1.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Metzen	Renneke
Anderson	Decker	Knaak	Moe, D.M.	Samuelson
Beckman	DeCramer	Knutson	Moe, R. D.	Schmitz
Belanger	Dicklich	Kroening	Morse	Solon
Benson	Diessner	Laidig	Novak	Spear
Berg	Frank	Langseth	Olson	Storm
Berglin	Frederick	Lantry	Pehler	Stumpf
Bernhagen	Frederickson, D.J.	Larson	Peterson, D.C.	Taylor
Bertram	Frederickson, D.R.	Lessard	Peterson, R. W.	Vickerman
Brandl	Freeman	Luther	Piper	Waldorf
Brataas	Gustafson	Marty	Pogemiller	Wegscheid
Chmielewski	Hughes	McQuaid	Purfeerst	
Cohen	Johnson, D.E.	Mehrkens	Ramstad	
Dahl	Johnson, D.J.	Merriam	Reichgott	

So the bill passed and its title was agreed to.

H.F. No. 2529: A bill for an act relating to alcoholic beverages; defining importers as brewers in the beer wholesaling act; amending Minnesota Statutes 1986, section 325B.01, subdivision 4.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Moe, D.M.	Samuelson
Anderson	Decker	Knaak	Moe, R.D.	Schmitz
Beckman	DeCramer	Knutson	Morse	Solon
Belanger	Dicklich	Kroening	Novak	Spear
Benson	Diessner	Laidig	Olson	Storm
Berg	Frank	Langseth	Pehler	Stumpf
Berglin	Frederick	Lantry	Peterson, D.C.	Taylor
Bernhagen	Frederickson, D.J.	Larson	Peterson, R.W.	Vickerman
Bertram	Frederickson, D.R.	Luther	Piper	Waldorf
Brandl	Freeman	Marty	Pogemiller	Wegscheid
Brataas	Gustafson	McQuaid	Purfeerst	
Chmielewski	Hughes	Mehrkens	Ramstad	
Cohen	Johnson, D.E.	Merriam	Reichgott	
Dahl	Johnson, D.J.	Metzen	Renneke	

So the bill passed and its title was agreed to.

H.F. No. 2046: A bill for an act relating to state lands; directing sale and conveyance of certain state-owned lands to the city of Owatonna.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Metzen	Renneke
Anderson	Decker	Knaak	Moe, D.M.	Samuelson
Beckman	DeCramer	Knutson	Moe, R.D.	Schmitz
Belanger	Dicklich	Kroening	Morse	Solon
Benson	Diessner	Laidig	Novak	Spear
Berg	Frank	Langseth	Olson	Storm
Berglin	Frederick	Lantry	Pehler	Stumpf
Bernhagen	Frederickson, D.J.	Larson	Peterson, D.C.	Taylor
Bertram	Frederickson, D.R.	Lessard	Peterson, R.W.	Vickerman
Brandl	Freeman	Luther	Piper	Waldorf
Brataas	Gustafson	Marty	Pogemiller	Wegscheid
Chmielewski	Hughes	McQuaid	Purfeerst	
Cohen	Johnson, D.E.	Mehrkens	Ramstad	
Dahl	Johnson, D.J.	Merriam	Reichgott	

So the bill passed and its title was agreed to.

H.F. No. 1795: A bill for an act relating to human services; creating a task force to study building code standards for family and group family day care homes; changing building code requirements concerning certain child care facilities; amending Minnesota Statutes 1987 Supplement, sections 16B.61, subdivision 3; and 245A.09, by adding a subdivision.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Moe, D.M.	Samuelson
Anderson	Decker	Knutson	Moe, R.D.	Schmitz
Beckman	DeCramer	Kroening	Morse	Solon
Belanger	Dicklich	Laidig	Novak	Spear
Benson	Diessner	Langseth	Olson	Storm
Berg	Frank	Lantry	Pehler	Stumpf
Berglin	Frederick	Larson	Peterson, D.C.	Taylor
Bernhagen	Frederickson, D.J.	Lessard	Peterson, R.W.	Vickerman
Bertram	Frederickson, D.R.	Luther	Piper	Waldorf
Brandl	Freeman	Marty	Pogemiller	Wegscheid
Brataas	Gustafson	McQuaid	Purfeerst	
Chmielewski	Johnson, D.E.	Mehrkens	Ramstad	
Cohen	Johnson, D.J.	Merriam	Reichgott	
Dahl	Jude	Metzen	Renneke	

So the bill passed and its title was agreed to.

S.F. No. 1834: A bill for an act relating to utilities; prohibiting water utilities from imposing additional standby charges on owners of structures containing fire protection systems; proposing coding for new law in Minnesota Statutes, chapter 444.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	McQuaid	Purfeerst
Anderson	Davis	Johnson, D.J.	Mehrkens	Ramstad
Beckman	Decker	Jude	Metzen	Reichgott
Belanger	DeCramer	Knaak	Moe, D.M.	Renneke
Benson	Dicklich	Knutson	Moe, R.D.	Samuelson
Berg	Diessner	Kroening	Morse	Schmitz
Berglin	Frank	Laidig	Novak	Solon
Bernhagen	Frederick	Langseth	Olson	Spear
Bertram	Frederickson, D.J.	Lantry	Pehler	Storm
Brandl	Frederickson, D.R.	Larson	Peterson, D.C.	Stumpf
Brataas	Freeman	Lessard	Peterson, R.W.	Taylor
Chmielewski	Gustafson	Luther	Piper	Vickerman
Cohen	Hughes	Marty	Pogemiller	Waldorf

Messrs. Merriam and Wegscheid voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 1885: A bill for an act relating to commerce; motor fuel franchises; regulating certain building alterations; providing remedies; amending Minnesota Statutes 1986, section 80C.146, subdivisions 2 and 3; repealing Laws 1984, chapter 444, section 4, as amended by Laws 1986, chapter 343, section 1.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.J.	Mehrkens	Purfeerst
Anderson	Davis	Jude	Merriam	Ramstad
Beckman	Decker	Knaak	Metzen	Reichgott
Belanger	DeCramer	Knutson	Moe, D.M.	Renneke
Benson	Dicklich	Kroening	Moe, R.D.	Schmitz
Berg	Frank	Laidig	Morse	Solon
Berglin	Frederick	Langseth	Novak	Spear
Bernhagen	Frederickson, D.J.	Lantry	Olson	Storm
Bertram	Frederickson, D.R.	Larson	Pehler	Stumpf
Brandl	Freeman	Lessard	Peterson, D.C.	Taylor
Brataas	Gustafson	Luther	Peterson, R.W.	Vickerman
Chmielewski	Hughes	Marty	Piper	Waldorf
Cohen	Johnson, D.E.	McQuaid	Pogemiller	Wegscheid

So the bill passed and its title was agreed to.

H.F. No. 2025: A bill for an act relating to state lands; authorizing private sale of tax-forfeited land in St. Louis county.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Moe, D.M.	Samuelson
Anderson	Decker	Knutson	Moe, R.D.	Schmitz
Beckman	DeCramer	Kroening	Morse	Solon
Belanger	Dicklich	Laidig	Novak	Spear
Benson	Frank	Langseth	Olson	Storm
Berg	Frederick	Lantry	Pehler	Stumpf
Berglin	Frederickson, D.J.	Larson	Peterson, D.C.	Taylor
Bernhagen	Frederickson, D.R.	Lessard	Peterson, R.W.	Vickerman
Bertram	Freeman	Luther	Piper	Waldorf
Brandl	Gustafson	Marty	Pogemiller	Wegscheid
Brataas	Hughes	McQuaid	Purfeerst	
Chmielewski	Johnson, D.E.	Mehrkens	Ramstad	
Cohen	Johnson, D.J.	Merriam	Reichgott	
Dahl	Jude	Metzen	Renneke	

So the bill passed and its title was agreed to.

H.F. No. 2109: A bill for an act relating to state lands; authorizing private sale of tax-forfeited land in St. Louis county.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Metzen	Renneke
Anderson	Decker	Knaak	Moe, D.M.	Samuelson
Beckman	DeCramer	Knutson	Moe, R.D.	Schmitz
Belanger	Dicklich	Kroening	Morse	Solon
Benson	Diessner	Laidig	Novak	Spear
Berg	Frank	Langseth	Olson	Storm
Berglin	Frederick	Lantry	Pehler	Stumpf
Bernhagen	Frederickson, D.J.	Larson	Peterson, D.C.	Taylor
Bertram	Frederickson, D.R.	Lessard	Peterson, R.W.	Vickerman
Brandl	Freeman	Luther	Piper	Waldorf
Brataas	Gustafson	Marty	Pogemiller	Wegscheid
Chmielewski	Hughes	McQuaid	Purfeerst	
Cohen	Johnson, D.E.	Mehrkens	Ramstad	
Dahl	Johnson, D.J.	Merriam	Reichgott	

So the bill passed and its title was agreed to.

H.F. No. 2490: A bill for an act relating to state land; conveying title to state land in Kittson county.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Metzen	Renneke
Anderson	Decker	Knaak	Moe, D.M.	Samuelson
Beckman	DeCramer	Knutson	Moe, R.D.	Schmitz
Belanger	Dicklich	Kroening	Morse	Solon
Benson	Diessner	Laidig	Novak	Spear
Berg	Frank	Langseth	Olson	Storm
Berglin	Frederick	Lantry	Pehler	Stumpf
Bernhagen	Frederickson, D.J.	Larson	Peterson, D.C.	Taylor
Bertram	Frederickson, D.R.	Lessard	Peterson, R.W.	Vickerman
Brandl	Freeman	Luther	Piper	Waldorf
Brataas	Gustafson	Marty	Pogemiller	Wegscheid
Chmielewski	Hughes	McQuaid	Purfeerst	
Cohen	Johnson, D.E.	Mehrkens	Ramstad	
Dahl	Johnson, D.J.	Merriam	Reichgott	

So the bill passed and its title was agreed to.

H.F. No. 2637: A bill for an act relating to the city of Farmington; permitting the sale of certain tax-forfeited land.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Metzen	Renneke
Anderson	Decker	Knaak	Moe, D.M.	Samuelson
Beckman	DeCramer	Knutson	Moe, R.D.	Schmitz
Belanger	Dicklich	Kroening	Morse	Solon
Benson	Diessner	Laidig	Novak	Spear
Berg	Frank	Langseth	Olson	Storm
Berglin	Frederick	Lantry	Pehler	Stumpf
Bernhagen	Frederickson, D.J.	Larson	Peterson, D.C.	Taylor
Bertram	Frederickson, D.R.	Lessard	Peterson, R.W.	Vickerman
Brandl	Freeman	Luther	Piper	Waldorf
Brataas	Gustafson	Marty	Pogemiller	Wegscheid
Chmielewski	Hughes	McQuaid	Purfeerst	
Cohen	Johnson, D.E.	Mehrkens	Ramstad	
Dahl	Johnson, D.J.	Merriam	Reichgott	

So the bill passed and its title was agreed to.

H.F. No. 1589: A bill for an act relating to real property; providing a restriction on the duration of conditions affecting certain real property; providing an exemption for the city of North Oaks; amending Minnesota Statutes 1986, section 500.20, by adding a subdivision.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Metzen	Renneke
Anderson	Decker	Knaak	Moe, D.M.	Samuelson
Beckman	DeCramer	Knutson	Moe, R. D.	Schmitz
Belanger	Dicklich	Kroening	Morse	Solon
Benson	Diessner	Laidig	Novak	Spear
Berg	Frank	Langseth	Olson	Storm
Berglin	Frederick	Lantry	Pehler	Stumpf
Bernhagen	Frederickson, D.J.	Larson	Peterson, D.C.	Taylor
Bertram	Frederickson, D.R.	Lessard	Peterson, R. W.	Vickerman
Brandl	Freeman	Luther	Piper	Waldorf
Brataas	Gustafson	Marty	Pogemiller	Wegscheid
Chmielewski	Hughes	McQuaid	Purfeerst	
Cohen	Johnson, D.E.	Mehrkens	Ramstad	
Dahl	Johnson, D.J.	Merriam	Reichgott	

So the bill passed and its title was agreed to.

S.F. No. 2402: A bill for an act relating to criminal procedure; updating the wiretap law to conform to modern electronic communication technologies; providing procedures for interception of wire, electronic, or oral communication; regulating use of pen registers and trap and trace devices; prescribing penalties; amending Minnesota Statutes 1986, section 626A.01, subdivisions 3, 4, 5, 6, 8, 9, and by adding subdivisions; 626A.02, subdivisions 1, 2, and by adding subdivisions; 626A.03, subdivisions 1, and 2; 626A.05, subdivision 1; 626A.06, subdivisions 3, 4, 5, 6, and by adding subdivisions; 626A.08, subdivision 1; 626A.09, subdivisions 1, 2, 3, 4, and 5; 626A.10, subdivisions 1 and 2; 626A.11, subdivisions 1 and 2, and by adding a subdivision; 626A.12, subdivision 1, and by adding a subdivision; 626A.13; Minnesota Statutes 1987 Supplement, section 626A.05, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 626A; repealing Minnesota Statutes 1986, sections 626A.01 to 626A.04; 626A.05, as amended; and 626A.06 to 626A.23.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	McQuaid	Ramstad
Anderson	Davis	Johnson, D.J.	Mehrkens	Reichgott
Beckman	Decker	Jude	Merriam	Renneke
Belanger	DeCramer	Knaak	Metzen	Samuelson
Benson	Dicklich	Knutson	Moe, R. D.	Schmitz
Berg	Diessner	Kroening	Morse	Solon
Berglin	Frank	Laidig	Novak	Spear
Bernhagen	Frederick	Langseth	Olson	Storm
Bertram	Frederickson, D.J.	Lantry	Pehler	Stumpf
Brandl	Frederickson, D.R.	Larson	Peterson, D.C.	Taylor
Brataas	Freeman	Lessard	Peterson, R. W.	Vickerman
Chmielewski	Gustafson	Luther	Piper	Waldorf
Cohen	Hughes	Marty	Purfeerst	Wegscheid

So the bill passed and its title was agreed to.

H.F. No. 1748: A bill for an act relating to the handicapped; permitting equal access to public accommodations for persons using a service dog; amending Minnesota Statutes 1986, section 256C.025, subdivision 4.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Metzen	Renneke
Anderson	Decker	Knaak	Moe, D.M.	Samuelson
Beckman	DeCramer	Knutson	Moe, R.D.	Schmitz
Belanger	Dicklich	Kroening	Morse	Solon
Benson	Diessner	Laidig	Novak	Spear
Berg	Frank	Langseth	Olson	Storm
Berglin	Frederick	Lantry	Pehler	Stumpf
Bernhagen	Frederickson, D.J.	Larson	Peterson, D.C.	Taylor
Bertram	Frederickson, D.R.	Lessard	Peterson, R.W.	Vickerman
Brandl	Freeman	Luther	Piper	Waldorf
Brataas	Gustafson	Marty	Pogemiller	Wegscheid
Chmielewski	Hughes	McQuaid	Purfeerst	
Cohen	Johnson, D.E.	Mehrkens	Ramstad	
Dahl	Johnson, D.J.	Merriam	Reichgott	

So the bill passed and its title was agreed to.

S.F. No. 1827: A bill for an act relating to public safety; providing that a fee for applications for quarterly reporting of fuel tax be deposited in the highway user tax distribution fund; amending Minnesota Statutes 1987 Supplement, section 296.17, subdivision 9a.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Metzen	Renneke
Anderson	Decker	Knaak	Moe, D.M.	Samuelson
Beckman	DeCramer	Knutson	Moe, R.D.	Schmitz
Belanger	Dicklich	Kroening	Morse	Solon
Benson	Diessner	Laidig	Novak	Spear
Berg	Frank	Langseth	Olson	Storm
Berglin	Frederick	Lantry	Pehler	Stumpf
Bernhagen	Frederickson, D.J.	Larson	Peterson, D.C.	Taylor
Bertram	Frederickson, D.R.	Lessard	Peterson, R.W.	Vickerman
Brandl	Freeman	Luther	Piper	Waldorf
Brataas	Gustafson	Marty	Pogemiller	Wegscheid
Chmielewski	Hughes	McQuaid	Purfeerst	
Cohen	Johnson, D.E.	Mehrkens	Ramstad	
Dahl	Johnson, D.J.	Merriam	Reichgott	

So the bill passed and its title was agreed to.

H.F. No. 1534: A bill for an act relating to education; changing licensing requirements for registered barbers and registered apprentice barbers; amending Minnesota Statutes 1986, sections 154.05; 154.07; 154.09; and 154.18.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Decker	Knaak	Moe, D.M.	Samuelson
Anderson	DeCramer	Knutson	Moe, R.D.	Schmitz
Beckman	Dicklich	Kroening	Morse	Solon
Belanger	Diessner	Laidig	Novak	Spear
Benson	Frank	Langseth	Olson	Storm
Berg	Frederick	Lantry	Pehler	Stumpf
Berglin	Frederickson, D.J.	Larson	Peterson, D.C.	Taylor
Bernhagen	Frederickson, D.R.	Lessard	Peterson, R.W.	Vickerman
Bertram	Freeman	Luther	Piper	Waldorf
Brandl	Gustafson	Marty	Pogemiller	Wegscheid
Brataas	Hughes	McQuaid	Purfeerst	
Cohen	Johnson, D.E.	Mehrkens	Ramstad	
Dahl	Johnson, D.J.	Merriam	Reichgott	
Davis	Jude	Metzen	Renneke	

So the bill passed and its title was agreed to.

H.F. No. 2372: A bill for an act relating to human services; setting forth goals for regional treatment centers in the continuum of mental health services; proposing coding for new law in Minnesota Statutes, chapter 245.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Metzen	Reichgott
Anderson	DeCramer	Knaak	Moe, D.M.	Renneke
Beckman	Dicklich	Knutson	Moe, R.D.	Samuelson
Belanger	Diessner	Laidig	Morse	Schmitz
Benson	Frank	Langseth	Novak	Solon
Berglin	Frederick	Lantry	Olson	Spear
Bernhagen	Frederickson, D.J.	Larson	Pehler	Storm
Bertram	Frederickson, D.R.	Lessard	Peterson, D.C.	Stumpf
Brandl	Freeman	Luther	Peterson, R.W.	Taylor
Brataas	Gustafson	Marty	Piper	Vickerman
Chmielewski	Hughes	McQuaid	Pogemiller	Waldorf
Cohen	Johnson, D.E.	Mehrkens	Purfeerst	Wegscheid
Dahl	Johnson, D.J.	Merriam	Ramstad	

So the bill passed and its title was agreed to.

H.F. No. 2469: A bill for an act relating to agriculture; regulating sales of anhydrous ammonia; proposing coding for new law in Minnesota Statutes, chapter 239.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Metzen	Renneke
Anderson	Decker	Knaak	Moe, D.M.	Samuelson
Beckman	DeCramer	Knutson	Moe, R.D.	Schmitz
Belanger	Dicklich	Kroening	Morse	Solon
Benson	Diessner	Laidig	Novak	Spear
Berg	Frank	Langseth	Olson	Storm
Berglin	Frederick	Lantry	Pehler	Stumpf
Bernhagen	Frederickson, D.J.	Larson	Peterson, D.C.	Taylor
Bertram	Frederickson, D.R.	Lessard	Peterson, R.W.	Vickerman
Brandl	Freeman	Luther	Piper	Waldorf
Brataas	Gustafson	Marty	Pogemiller	Wegscheid
Chmielewski	Hughes	McQuaid	Purfeerst	
Cohen	Johnson, D.E.	Mehrkens	Ramstad	
Dahl	Johnson, D.J.	Merriam	Reichgott	

So the bill passed and its title was agreed to.

S.F. No. 1940: A bill for an act relating to the Duluth transit authority; authorizing it to transport students.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 51 and nays 14, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Laidig	Moe, D.M.	Solon
Anderson	Decker	Langseth	Moe, R.D.	Spear
Beckman	DeCramer	Lantry	Morse	Storm
Belanger	Diessner	Larson	Novak	Stumpf
Berg	Frank	Lessard	Pehler	Vickerman
Berglin	Frederickson, D.R.	Luther	Peterson, D.C.	Waldorf
Bertram	Freeman	Marty	Piper	Wegscheid
Brandl	Gustafson	McQuaid	Purfeerst	
Chmielewski	Hughes	Mehrkens	Renneke	
Cohen	Knutson	Merriam	Samuelson	
Dahl	Kroening	Metzen	Schmitz	

Those who voted in the negative were:

Benson	Frederick	Johnson, D.J.	Olson	Reichgott
Bernhagen	Frederickson, D.J.	Jude	Peterson, R.W.	Taylor
Dicklich	Johnson, D.E.	Knaak	Ramstad	

So the bill passed and its title was agreed to.

S.F. No. 2286: A bill for an act relating to environment; amending certain statutes administered by the environmental quality board; prohibiting delegation of responsibilities; authorizing certain enforcement actions; prohibiting construction of certain projects; requiring project proposers to pay costs of environmental impact statements; appropriating money; amending Minnesota Statutes 1986, sections 116C.04, by adding a subdivision; 116D.04, by adding subdivisions; and 116D.045, subdivisions 1, 2, 3, and 4; Minnesota Statutes 1987 Supplement, section 116C.03, subdivision 2; repealing Minnesota Statutes 1986, section 116D.045, subdivision 5.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Metzen	Renneke
Anderson	Decker	Knaak	Moe, D.M.	Samuelson
Beckman	DeCramer	Knutson	Moe, R.D.	Schmitz
Belanger	Dicklich	Kroening	Morse	Solon
Benson	Diessner	Laidig	Novak	Spear
Berg	Frank	Langseth	Olson	Storm
Berglin	Frederick	Lantry	Pehler	Stumpf
Bernhagen	Frederickson, D.J.	Larson	Peterson, D.C.	Taylor
Bertram	Frederickson, D.R.	Lessard	Peterson, R.W.	Vickerman
Brandl	Freeman	Luther	Piper	Waldorf
Brataas	Gustafson	Marty	Pogemiller	Wegscheid
Chmielewski	Hughes	McQuaid	Purfeerst	
Cohen	Johnson, D.E.	Mehrkens	Ramstad	
Dahl	Johnson, D.J.	Merriam	Reichgott	

So the bill passed and its title was agreed to.

H.F. No. 1980: A bill for an act relating to highways; designating I-90

as AMVETS memorial highway; adding, deleting, and substituting routes on the trunk highway system; amending Minnesota Statutes 1986, section 161.14, by adding a subdivision.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Metzen	Samuelson
Anderson	Decker	Knaak	Moe, D.M.	Schmitz
Beckman	DeCramer	Knutson	Moe, R.D.	Solon
Belanger	Dicklich	Kroening	Morse	Spear
Benson	Diessner	Laidig	Novak	Storm
Berg	Frank	Langseth	Olson	Stumpf
Berglin	Frederick	Lantry	Pehler	Taylor
Bernhagen	Frederickson, D.J.	Larson	Peterson, D.C.	Vickerman
Bertram	Frederickson, D.R.	Lessard	Peterson, R.W.	Waldorf
Brandl	Freeman	Luther	Piper	Wegscheid
Brataas	Gustafson	Marty	Purfeerst	
Chmielewski	Hughes	McQuaid	Ramstad	
Cohen	Johnson, D.E.	Mehrkens	Reichgott	
Dahl	Johnson, D.J.	Merriam	Renneke	

So the bill passed and its title was agreed to.

H.F. No. 2132: A bill for an act relating to human services; authorizing a representative payee for general assistance to drug dependent persons; amending Minnesota Statutes 1986, section 256D.09, by adding a subdivision.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Moe, D.M.	Samuelson
Anderson	Decker	Knaak	Moe, R.D.	Schmitz
Beckman	DeCramer	Knutson	Morse	Solon
Belanger	Dicklich	Laidig	Novak	Spear
Benson	Diessner	Langseth	Olson	Storm
Berg	Frank	Lantry	Pehler	Stumpf
Berglin	Frederick	Larson	Peterson, D.C.	Taylor
Bernhagen	Frederickson, D.J.	Lessard	Peterson, R.W.	Vickerman
Bertram	Frederickson, D.R.	Luther	Piper	Waldorf
Brandl	Freeman	Marty	Pogemiller	Wegscheid
Brataas	Gustafson	McQuaid	Purfeerst	
Chmielewski	Hughes	Mehrkens	Ramstad	
Cohen	Johnson, D.E.	Merriam	Reichgott	
Dahl	Johnson, D.J.	Metzen	Renneke	

So the bill passed and its title was agreed to.

H.F. No. 2735: A resolution memorializing the President to immediately direct the Secretary of Agriculture to halt the forced movement of Farmer-Owned Reserve grains to commercial warehouses.

Was read the third time and placed on its final passage.

The question was taken on the passage of the resolution.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Metzen	Samuelson
Anderson	Decker	Knaak	Moe, D.M.	Schmitz
Beckman	DeCramer	Knutson	Moe, R.D.	Solon
Belanger	Dicklich	Kroening	Morse	Spear
Benson	Diessner	Laidig	Novak	Storm
Berg	Frank	Langseth	Olson	Stumpf
Berglin	Frederick	Lantry	Pehler	Taylor
Bernhagen	Frederickson, D.J.	Larson	Peterson, D.C.	Vickerman
Bertram	Frederickson, D.R.	Lessard	Piper	Waldorf
Brandl	Freeman	Luther	Pogemiller	Wegscheid
Brataas	Gustafson	Marty	Purfeerst	
Chmielewski	Hughes	McQuaid	Ramstad	
Cohen	Johnson, D.E.	Mehrkens	Reichgott	
Dahl	Johnson, D.J.	Merriam	Renneke	

So the resolution passed and its title was agreed to.

H.F. No. 2615: A bill for an act relating to health; providing for a temporary license for freestanding 24-hour emergency medical centers until permanent rules are adopted.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Metzen	Renneke
Anderson	Decker	Knaak	Moe, D.M.	Samuelson
Beckman	DeCramer	Knutson	Moe, R.D.	Schmitz
Belanger	Dicklich	Kroening	Morse	Solon
Benson	Diessner	Laidig	Novak	Spear
Berg	Frank	Langseth	Olson	Storm
Berglin	Frederick	Lantry	Pehler	Stumpf
Bernhagen	Frederickson, D.J.	Larson	Peterson, D.C.	Taylor
Bertram	Frederickson, D.R.	Lessard	Peterson, R.W.	Vickerman
Brandl	Freeman	Luther	Piper	Waldorf
Brataas	Gustafson	Marty	Pogemiller	Wegscheid
Chmielewski	Hughes	McQuaid	Purfeerst	
Cohen	Johnson, D.E.	Mehrkens	Ramstad	
Dahl	Johnson, D.J.	Merriam	Reichgott	

So the bill passed and its title was agreed to.

S.F. No. 2122: A bill for an act relating to the collection and dissemination of data; proposing classifications of data as private and nonpublic; providing for patient access to medical records; requiring outpatient diagnostic and test results to be retained as part of an individual permanent medical record; amending Minnesota Statutes 1986, sections 13.04, subdivision 4; 13.67; 13.791, subdivision 1; 144.335, subdivision 2; 145.32, subdivision 2; 171.12, by adding a subdivision; and 363.061, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 13 and 221; repealing Minnesota Statutes 1986, section 13.72, subdivision 3.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Decker	Knaak	Moe, D.M.	Samuelson
Anderson	DeCramer	Knutson	Moe, R.D.	Schmitz
Beckman	Dicklich	Kroening	Morse	Solon
Benson	Diessner	Laidig	Novak	Spear
Berg	Frank	Langseth	Olson	Storm
Berglin	Frederick	Lantry	Pehler	Stumpf
Bernhagen	Frederickson, D.J.	Larson	Peterson, D.C.	Taylor
Bertram	Frederickson, D.R.	Lessard	Peterson, R.W.	Vickerman
Brandl	Freeman	Luther	Piper	Waldorf
Brataas	Gustafson	Marty	Pogemiller	Wegscheid
Chmielewski	Hughes	McQuaid	Purfeerst	
Cohen	Johnson, D.E.	Mehrkens	Ramstad	
Dahl	Johnson, D.J.	Merriam	Reichgott	
Davis	Jude	Metzen	Renneke	

So the bill passed and its title was agreed to.

S.F. No. 1727: A bill for an act relating to government data practices; defining employment and training data as private data on individuals; providing for the dissemination of certain data; amending Minnesota Statutes 1986, section 13.46, subdivision 2; Minnesota Statutes 1987 Supplement, section 13.43, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 13.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	Mehrkens	Purfeerst
Anderson	Davis	Johnson, D.J.	Merriam	Ramstad
Beckman	Decker	Jude	Metzen	Reichgott
Belanger	DeCramer	Knaak	Moe, D.M.	Renneke
Benson	Dicklich	Knutson	Moe, R.D.	Samuelson
Berg	Diessner	Laidig	Morse	Schmitz
Berglin	Frank	Langseth	Novak	Solon
Bernhagen	Frederick	Lantry	Olson	Spear
Bertram	Frederickson, D.J.	Larson	Pehler	Storm
Brandl	Frederickson, D.R.	Lessard	Peterson, D.C.	Stumpf
Brataas	Freeman	Luther	Peterson, R.W.	Taylor
Chmielewski	Gustafson	Marty	Piper	Vickerman
Cohen	Hughes	McQuaid	Pogemiller	Wegscheid

So the bill passed and its title was agreed to.

S.F. No. 2275: A bill for an act relating to juveniles; eliminating statutory references to "dependency" and "neglect" and substituting the term "child in need of protection or services"; eliminating juvenile court jurisdiction over children who are "habitually disobedient"; transferring alleged truants and runaways to the court's protective services jurisdiction; transferring certain young alleged delinquents to the court's protective services jurisdiction; limiting the duration of the court's continuing jurisdiction over truants; expanding the court's dispositional authority in certain child protection cases; limiting the juvenile court's contempt authority over non-delinquents; amending Minnesota Statutes 1986, sections 242.19, subdivision 2; 260.011, subdivision 2; 260.015, subdivisions 21, 22, 23, and by adding a subdivision; 260.111, subdivisions 1, 3, and by adding a subdivision; 260.121, subdivisions 1 and 2; 260.131, subdivision 1; 260.132, subdivisions 1 and 3; 260.133, subdivision 2; 260.135, subdivisions 1 and 3; 260.155, subdivisions 4 and 4a; 260.171, subdivisions 1 and 4; 260.172, subdivision 1; 260.173, subdivision 3; 260.181, subdivision 4; 260.191,

subdivisions 1, 4, and by adding a subdivision; 260.195; 260.235; 260.255; 260.291, subdivision 1; 260.301; 260.315; 260.35; 260.36; and 484.73, subdivision 2; and Minnesota Statutes 1987 Supplement, sections 260.155, subdivision 1; 260.156; and 260.221; repealing Minnesota Statutes 1986, sections 260.015, subdivisions 6 and 10; 260.103; and 260.194.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Metzen	Renneke
Anderson	Decker	Knaak	Moe, D.M.	Samuelson
Beckman	DeCramer	Knutson	Moe, R.D.	Schmitz
Belanger	Dicklich	Kroening	Morse	Solon
Benson	Diessner	Laidig	Novak	Spear
Berg	Frank	Langseth	Olson	Storm
Berglin	Frederick	Lantry	Pehler	Stumpf
Bernhagen	Frederickson, D.J.	Larson	Peterson, D.C.	Taylor
Bertram	Frederickson, D.R.	Lessard	Peterson, R.W.	Vickerman
Brandl	Freeman	Luther	Piper	Waldorf
Brataas	Gustafson	Marty	Pogemiller	Wegscheid
Chmielewski	Hughes	McQuaid	Purfeerst	
Cohen	Johnson, D.E.	Mehrkens	Ramstad	
Dahl	Johnson, D.J.	Merriam	Reichgott	

So the bill passed and its title was agreed to.

S.F. No. 2390: A bill for an act relating to metropolitan airports; providing environmental goals for the metropolitan airports commission; amending Minnesota Statutes 1986, section 473.602.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Mehrkens	Purfeerst
Anderson	Decker	Jude	Merriam	Ramstad
Beckman	DeCramer	Knaak	Metzen	Renneke
Benson	Dicklich	Knutson	Moe, D.M.	Samuelson
Berg	Diessner	Kroening	Moe, R.D.	Schmitz
Berglin	Frank	Laidig	Morse	Solon
Bernhagen	Frederick	Langseth	Novak	Spear
Bertram	Frederickson, D.J.	Lantry	Olson	Storm
Brandl	Frederickson, D.R.	Larson	Pehler	Stumpf
Brataas	Freeman	Lessard	Peterson, D.C.	Taylor
Chmielewski	Gustafson	Luther	Peterson, R.W.	Vickerman
Cohen	Hughes	Marty	Piper	Waldorf
Dahl	Johnson, D.E.	McQuaid	Pogemiller	Wegscheid

So the bill passed and its title was agreed to.

S.F. No. 1819: A bill for an act relating to landlord and tenant; authorizing tenants to pay for certain utilities and deduct the payments from rent due; proposing coding for new law in Minnesota Statutes, chapter 504.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	Decker	Knaak	Moe, D.M.	Renneke
Anderson	DeCramer	Knutson	Moe, R.D.	Samuelson
Beckman	Dicklich	Kroening	Morse	Schmitz
Belanger	Diessner	Laidig	Novak	Spear
Benson	Frank	Langseth	Olson	Storm
Berg	Frederick	Lantry	Pehler	Stumpf
Bernhagen	Frederickson, D.J.	Larson	Peterson, D.C.	Taylor
Bertram	Frederickson, D.R.	Lessard	Peterson, R.W.	Vickerman
Brandl	Freeman	Luther	Piper	Waldorf
Brataas	Gustafson	Marty	Pogemiller	Wegscheid
Cohen	Hughes	McQuaid	Purfeerst	
Dahl	Johnson, D.J.	Mehrkens	Ramstad	
Davis	Jude	Metzen	Reichgott	

Messrs. Chmielewski and Johnson, D.E. voted in the negative.

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Moe, R.D. moved that Senate Resolution No. 129 be taken from the table. The motion prevailed.

Senate Resolution No. 129: A Senate resolution congratulating the Pirates Boys' Basketball Team from Crookston High School for winning the Region 8A Championship.

WHEREAS, competitive sports aim to promote the principles of sportsmanship and fair play; and

WHEREAS, the Pirates from Crookston High School won the Region 8A Basketball Championship; and

WHEREAS, the Pirates finished the year with an outstanding 20-5 win-loss record; and

WHEREAS, the Pirates will participate in the 1988 State High School Basketball Tournament; NOW, THEREFORE,

BE IT RESOLVED by the Senate of the State of Minnesota that it congratulates the Crookston High School Pirates for their talents, determination, and achievements, and for winning the Region 8A Basketball Championship. In particular, congratulations are extended to team members Clarence Aschenbrener, Dan Ellingson, Bob Holder, Jon Huseby, Ladd Knotek, Todd Miner, Joe Montague, Chuck Picard, Ryan Schultz, Steele Senske, Cory Sondrol, and Marc Sorensen; manager Luis Sagaon; statistician Mary Decker; coach Herb Hasz; and assistant coach Todd Selk. Congratulations are also offered to the Crookston Cheerleaders for their support and enthusiasm.

BE IT FURTHER RESOLVED that the Secretary of the Senate is directed to prepare an enrolled copy of this resolution, to be authenticated by his signature and that of the Chairman of the Senate Rules and Administration Committee, and present it to the coach of the Crookston High School Basketball Team.

Mr. Moe, R.D. moved the adoption of the foregoing resolution. The motion prevailed. So the resolution was adopted.

Mr. Moe, R.D. moved that Senate Resolution No. 130 be taken from the table. The motion prevailed.

Senate Resolution No. 130: A Senate resolution congratulating the Pirates Boys' Wrestling Team from Crookston High School for winning the Region 8A Championship.

WHEREAS, competitive sports aim to promote the principles of sportsmanship and fair play; and

WHEREAS, the Pirates from Crookston High School won the Region 8A Wrestling Championship; and

WHEREAS, the Pirates finished the year with an outstanding 10-2 win-loss record; and

WHEREAS, the Pirates participated in the 1988 State High School Wrestling Tournament; NOW, THEREFORE,

BE IT RESOLVED by the Senate of the State of Minnesota that it congratulates the Crookston High School Pirates for their talents, determination, and achievements and for winning the Region 8A Wrestling Championship. In particular, congratulations are extended to team members Mark Amon, Jason Bouscher, Mike Davidson, Shane Doyea, Jose Gonzales, Heath Hanson, Lenny Miene, Erik Myrold, Jeff Olson, Jamie Overgaard, Shawn Overgaard, Eric Reitmeier, Chris Stroot, Mike Tiedeman, and Dean Tucker; student manager Marlan Dufault; and head coach Rodd Olson. Congratulations are also offered to the Crookston Cheerleaders for their support and enthusiasm.

BE IT FURTHER RESOLVED that the Secretary of the Senate is directed to prepare an enrolled copy of this resolution, to be authenticated by his signature and that of the Chairman of the Senate Rules and Administration Committee, and present it to the coach of the Crookston High School Wrestling Team.

Mr. Moe, R.D. moved the adoption of the foregoing resolution. The motion prevailed. So the resolution was adopted.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess until 3:45 p.m. The motion prevailed.

The hour of 3:45 p.m. having arrived, the President called the Senate to order.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate revert to the Orders of Business of Reports of Committees, Second Reading of Senate Bills and Second Reading of House Bills. The motion prevailed.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of the reports pertaining to appointments. The motion prevailed.

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 1618: A bill for an act relating to armories; increasing the limit on bonded indebtedness; amending Minnesota Statutes 1986, section 193.143.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 1218: A bill for an act relating to the office of the secretary of state; providing for the preservation of land surveys; establishing time for the permanent microfilming of the surveys; appropriating money; amending Minnesota Statutes 1986, section 5.03.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 1, delete "1990" and insert "1991"

Page 2, line 5, delete "\$" and insert "\$28,500"

Page 2, line 8, delete ", to be available until June 30, 1990"

Page 2, delete lines 9 to 12

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 1595: A bill for an act relating to state agencies; returning the control of the Minnesota veterans home to the department of veterans affairs; creating the veterans home board of directors and providing for its powers and duties; providing for the appointment of deputy commissioners and providing for their powers and duties; appropriating money; amending Minnesota Statutes 1986, sections 196.03; 196.05; 198.001; 198.01; 198.022; 198.03; 198.05; 198.065; 198.075; 198.16; 198.161; 198.23; 198.231; 198.261; 198.265; 198.266; 198.31; 198.32; 198.33; and 198.34; proposing coding for new law in Minnesota Statutes, chapters 196 and 198; repealing Minnesota Statutes 1986, sections 196.02, subdivision 3; and 198.06.

Reports the same back with the recommendation that the bill be amended as follows:

Page 16, line 20, strike "revenue"

Page 17, line 14, after "to" insert "27 and 29 to"

Page 17, line 15, after the period, insert "Section 28 is effective July 1, 1989."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2446 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2446	2299				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2446 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2446 and insert the language after the enacting clause of S.F. No. 2299, the first engrossment; further, delete the title of H.F. No. 2446 and insert the title of S.F. No. 2299, the first engrossment.

And when so amended H.F. No. 2446 will be identical to S.F. No. 2299, and further recommends that H.F. No. 2446 be given its second reading and substituted for S.F. No. 2299, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2481 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2481	2259				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2481 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2481 and insert the language after the enacting clause of S.F. No. 2259, the first engrossment; further, delete the title of H.F. No. 2481 and insert the title of S.F. No. 2259, the first engrossment.

And when so amended H.F. No. 2481 will be identical to S.F. No. 2259, and further recommends that H.F. No. 2481 be given its second reading and substituted for S.F. No. 2259, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1469 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1469	1336				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1469 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1469 and insert the language after the enacting clause of S.F. No. 1336, the first engrossment; further, delete the title of H.F. No. 1469 and insert the title of S.F. No. 1336, the first engrossment.

And when so amended H.F. No. 1469 will be identical to S.F. No. 1336, and further recommends that H.F. No. 1469 be given its second reading and substituted for S.F. No. 1336, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2252 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2252	2160				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2252 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2252 and insert the language after the enacting clause of S.F. No. 2160, the first engrossment; further, delete the title of H.F. No. 2252 and insert the title of S.F. No. 2160, the first engrossment.

And when so amended H.F. No. 2252 will be identical to S.F. No. 2160, and further recommends that H.F. No. 2252 be given its second reading and substituted for S.F. No. 2160, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2134 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
				2134	2023

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2134 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2134 and insert the language after the enacting clause of S.F. No. 2023, the second engrossment; further, delete the title of H.F. No. 2134 and insert the title of S.F. No. 2023, the second engrossment.

And when so amended H.F. No. 2134 will be identical to S.F. No. 2023, and further recommends that H.F. No. 2134 be given its second reading and substituted for S.F. No. 2023, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2629 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2629	2340				

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Mr. Pehler from the Committee on Education, to which were referred the following appointments as reported in the Journal for February 9, 1988:

STATE BOARD FOR COMMUNITY COLLEGES

Lee Antell

B. Elaine Markey

Richard M. Niemiec

STATE BOARD OF VOCATIONAL TECHNICAL EDUCATION

Lenore Quick

Reports the same back with the recommendation that the appointments be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Pehler from the Committee on Education, to which were referred the following appointments as reported in the Journal for February 15, 1988:

STATE BOARD OF EDUCATION

Mabel Evans Cason

Marjorie Johnson

STATE UNIVERSITY BOARD

L.E. Danford

Nellie Stone Johnson

Reports the same back with the recommendation that the appointments be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Pehler from the Committee on Education, to which were referred the following appointments as reported in the Journal for February 11, 1988:

MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY

John McHugh

Catherine Warrick

Reports the same back with the recommendation that the appointments be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Pehler from the Committee on Education, to which were referred the following appointments as reported in the Journal for March 14, 1988:

BOARD OF THE MINNESOTA SCHOOL AND
RESOURCE CENTER FOR THE ARTS

Audrey Eickhof

MINNESOTA HIGHER EDUCATION COORDINATING BOARD

Alice S. Keller

Reports the same back with the recommendation that the appointments be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Pehler from the Committee on Education, to which were referred the following appointments as reported in the Journal for February 29, 1988:

STATE BOARD OF VOCATIONAL TECHNICAL EDUCATION

Donna Anderson

Frank E. Adams

Scott Rocci Norcia

Reports the same back with the recommendation that the appointments be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Pehler from the Committee on Education, to which were referred the following appointments as reported in the Journal for February 25, 1988:

**BOARD OF THE MINNESOTA SCHOOL AND
RESOURCE CENTER FOR THE ARTS**

Nancy B. Vollertsen

Florence Grieve

Jack R. Fena

Reginald T. Buckner

MINNESOTA HIGHER EDUCATION COORDINATING BOARD

Charles Neerland

Reports the same back with the recommendation that the appointments be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

SECOND READING OF SENATE BILLS

S.F. Nos. 1618, 1218 and 1595 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 2446, 2481, 1469, 2252, 2134 and 2629 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Novak moved that his name be stricken as chief author and the name of Mr. Frank be added as chief author to S.F. No. 2357. The motion prevailed.

Mr. Davis moved that the name of Mr. Chmielewski be added as a co-author to S.F. No. 2447. The motion prevailed.

Mr. Vickerman moved that the names of Messrs. DeCramer and Frederickson, D.J. be added as co-authors to Senate Resolution No. 125. The motion prevailed.

Mr. Peterson, R. W. moved that H.F. No. 2245 be taken from the table. The motion prevailed.

H.F. No. 2245: A bill for an act relating to education; providing aids for education and the distribution of tax revenues; increasing the basic formula allowance; setting the general education levy; modifying the transportation aid and levy formulas; creating an American Indian education council; requiring a study of Indian education; requiring the development of a new model for secondary vocational instruction; modifying the community education formulas; offering free admission to secondary school to eligible persons at least 21 years of age; creating education district revenue; encouraging integrated learning environments; making technical corrections to the cooperative secondary facilities grant act; providing for the sale of permanent school fund lands; requiring the signing of an education statement; requiring certain changes in the state high school league; creating a task force on school district reorganization; changing the capital expenditure formulas; appropriating money; amending Minnesota Statutes 1986, sections 92.06, subdivision 4; 92.14, by adding a subdivision; 92.67, subdivision 5; 120.06, by adding a subdivision; 120.075, subdivisions 1a, 3, and by adding a subdivision; 120.0751, subdivision 1, and by adding a subdivision; 120.0752, subdivision 1, and by adding a subdivision; 120.74, subdivision 1; 121.11, subdivision 12; 121.15, subdivisions 6, 7, and by adding a subdivision; 121.612, by adding a subdivision; 121.88, by adding subdivisions; 123.35, subdivision 8; 123.3514, by adding a subdivision; 124.17, by adding a subdivision; 124.18, subdivision 2; 124.214, subdivision 2; 124.225, by adding a subdivision; 124.245, by adding a subdivision; 124.271, by adding subdivisions; 124.2711, by adding a subdivision; 124A.036, subdivision 2; 126.14, subdivision 1; 126.151; 126.56, subdivision 2; 129.121, subdivision 2, and by adding subdivisions; 260.015, subdivision 19; 275.125, by adding subdivisions; Minnesota Statutes 1987 Supplement, sections 92.46, subdivision 1; 92.67, subdivisions 1, 3, and 4; 120.0752, subdivision 3; 120.101, subdivisions 5 and 9; 120.17, subdivision 1; 121.612, subdivision 3; 121.87, subdivision 1a; 123.3515, subdivisions 1, 2, 3, 5, 6, 9, and by adding a subdivision; 124.214, subdivision 3; 124.223; 124.225, subdivision 4b; 124.26, subdivision 1b; 124.271, subdivision 2b; 124.2711, subdivision 1; 124.494, subdivisions 5 and 6; 124.573, subdivision 2b, and by adding subdivisions; 124A.036, subdivision 5; 124A.22, subdivisions 2, 3, and 6; 124A.23, subdivisions 1, 2, 3, and by adding subdivisions; 124A.24; 124A.25, subdivisions 2, 4, and by adding a subdivision; 125.185, subdivision 4; 126.22, subdivisions 2, 3, 4, and by adding a subdivision; 126.666, by adding a subdivision; 126.70, subdivision 2a; 129.121, subdivision 1; 129B.11, subdivisions 1 and 2, and by adding a subdivision; 275.125, subdivisions 5 and 8; Laws 1987, chapter 398, article 1, section 27, subdivision 3; article 2, section 13, subdivision 2; article 3, section 39, subdivision 8; article 5, section 2, subdivision 12; article 6, section 19, subdivision 7; proposing coding for new law in Minnesota Statutes, chapters 120; 121; 122; 124; 124A; 126; 129B; 145; repealing Minnesota Statutes 1986, section 124.245, subdivision 4; Minnesota Statutes 1987 Supplement, sections 121.11, subdivision 16; 124.244; 124.245, subdivisions 3, 3a, and 3b; 124A.27, subdivision 10; and 275.125, subdivisions 6e and 11c.

SUSPENSION OF RULES

Mr. Peterson, R. W. moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect

to H.F. No. 2245 and that the rules of the Senate be so far suspended as to give H.F. No. 2245 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 2245 was read the second time.

Mr. Peterson, R. W. moved to amend H.F. No. 2245 as follows:

Delete everything after the enacting clause, and delete the title, of H.F. No. 2245, and insert the language after the enacting clause, and the title, of S.F. No. 2095, the third engrossment.

The motion prevailed. So the amendment was adopted.

CALL OF THE SENATE

Mr. Peterson, R. W. imposed a call of the Senate for the balance of the proceedings on H.F. No. 2245. The Sergeant at Arms was instructed to bring in the absent members.

Mr. Peterson, R. W. then moved to amend H.F. No. 2245, as amended by the Senate March 25, 1988, as follows:

(The text of the amended House File is identical to S.F. No. 2095.)

Page 6, line 8, strike "August" and insert "September"

Page 9, line 16, strike "August" and insert "September"

The motion prevailed. So the amendment was adopted.

Mr. Peterson, R. W. then moved to amend H.F. No. 2245, as amended by the Senate March 25, 1988, as follows:

(The text of the amended House File is identical to S.F. No. 2095.)

Page 6, line 35, strike "only"

Page 7, after line 30, insert:

"Sec. 8. Minnesota Statutes 1987 Supplement, section 124A.28, is amended by adding a subdivision to read:

Subd. 3. [ANNUAL EXPENDITURE REPORT.] Each year a district that receives compensatory education revenue shall submit a report identifying the expenditures it incurred in providing compensatory education to the pupils described in subdivision 1. The report must conform to uniform financial and reporting standards established for this purpose."

Renumber the sections of article 1 in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Peterson, R. W. then moved to amend H.F. No. 2245, as amended by the Senate March 25, 1988, as follows:

(The text of the amended House File is identical to S.F. No. 2095.)

Page 50, after line 3, insert:

"Sec. 19. Minnesota Statutes 1986, section 179A.16, is amended by adding a subdivision to read:

Subd. 2a. [BINDING ARBITRATION FOR SCHOOL DISTRICTS.] Notwithstanding subdivision 1, if a request is made by either a school board or the exclusive representative of the teachers in a school district in which there has been no collective bargaining agreement for three years, the director of mediation services shall certify the request for binding interest arbitration within 15 days of the request and shall proceed to binding interest arbitration according to this section."

Page 59, line 11, delete "and 20" and insert "20, and 21"

Re-number the sections of article 6 in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Peterson, R. W. then moved to amend H.F. No. 2245, as amended by the Senate March 25, 1988, as follows:

(The text of the amended House File is identical to S.F. No. 2095.)

Page 50, after line 3, insert:

"Sec. 19. Minnesota Statutes 1987 Supplement, section 273.1394, subdivision 2, is amended to read:

Subd. 2. [COMPUTATION.] (a) The initial aid will be computed as follows:

(1) for aids paid in 1989 only, (i) for a school district in which the school board has adopted a resolution, before April 1, 1988, calling for a referendum levy according to section 124A.03, subdivision 2, first payable in 1989, redetermine the homestead credit that would have been paid to the school district if the referendum levy called for by the board, and subsequently adopted by the district's voters in an election occurring prior to June 1, 1988, had been in effect for taxes payable in 1988, and (ii) determine the amount of homestead credit reimbursement that would have been paid to the taxing jurisdiction in 1988 under Minnesota Statutes 1986, section 273.13, subdivision 15a, on nonagricultural homesteads in 1988 if the homestead credit percentage provided in Minnesota Statutes 1986, section 273.13, subdivision 22, had been determined by using a rate of 52 percent and as if there had been no \$700 maximum; for purposes of the determination under item (ii), any additional amounts resulting from the determination under item (i) shall be taken into account;

(2) for aids payable in 1990 and subsequent years, the initial aid is the amount paid in the previous year; and

(3) for aids paid in ~~1988~~ 1989 only, the initial amount determined under clause (1) for all taxing jurisdictions levying within each school district shall be reapportioned among all taxing jurisdictions in proportion to their share of the total levy by all taxing jurisdictions in payable 1988.

(b) The amount determined in paragraph (a) shall be multiplied by a fraction, the numerator of which is the ratio of the estimated assessed value of the total homestead base value of nonagricultural homesteads in the taxing jurisdiction for the current assessment year to the estimated total assessed value of all property within the taxing jurisdiction for the current assessment year, and the denominator of which is the ratio of the estimated

assessed value of the total homestead base value of nonagricultural homesteads in the taxing jurisdiction for the previous assessment year to the estimated total assessed value of all property within the taxing jurisdiction for the previous assessment year. The county auditor shall certify the estimated assessed value of the total homestead base value and the total homestead exemption amount, of nonagricultural homesteads and the estimated assessed value of all property in the taxing jurisdiction as of July 15 to the commissioner of revenue.

(c) For aids paid in 1989 and thereafter, the amounts determined under paragraph (b) shall be adjusted as follows:

(i) for cities, towns, and special taxing districts, multiply the amount by one plus the implicit price deflator as defined in section 275.50, subdivision 8;

(ii) for counties, multiply the amount by the following factors: first, by the ratio of the total county levy, except the sum of the levy for income maintenance not including administrative costs plus the levy for social services, to the total county levy multiplied by one plus the implicit price deflator as defined in section 275.50, subdivision 8; second, by the ratio of the sum of the levy for income maintenance, not including administrative costs plus the social service levy of the county to the total county levy multiplied by the estimated increase in county social service costs and income maintenance program costs, not including income maintenance administrative costs; as used in this subclause (ii), "levy" means the levy for taxes payable in the year preceding the year in which the aid is paid;

(iii) for school districts, multiply the amount by the ratio of the school district's levy limit, exclusive of any referendum levy authorized under section 124A.03, subdivision 2, for taxes payable in the preceding year to its levy limit for taxes payable in the year in which the aid is paid exclusive of any such referendum levy.

The county must certify actual social service and income maintenance levies to the commissioner of revenue, who will adjust the final aid amounts paid under this section and section 273.1395 accordingly.

Sec. 20. Minnesota Statutes 1987 Supplement, section 273.1395, subdivision 2, is amended to read:

Subd. 2. [COMPUTATION.] (a) The initial aid will be computed as follows:

(1) For aids paid in 1989 only, (i) for a school district in which the school board has adopted a resolution, before April 1, 1988, calling for a referendum levy according to section 124A.03, subdivision 2, first payable in 1989, redetermine the agricultural credit that would have been paid to the school district if the referendum levy called for by the board, and subsequently adopted by the district's voters in an election occurring prior to June 1, 1988, had been in effect for taxes payable, and (ii) redetermine the amount of aid that would have been paid to a taxing jurisdiction in 1988 pursuant to Minnesota Statutes 1986, section 124.2137, if the aid paid to school districts under that provision had been distributed among all taxing jurisdictions containing property with respect to which the credit had been paid in proportion to their share of the total levy by all taxing jurisdictions in payable 1988. For purposes of the determination under item (ii), any additional amounts resulting from the determination under item (i) shall be taken into account. For aid payable in 1990 and subsequent

years, the initial aid is the amount paid in the previous year.

(2) An amount determined in clause (1) shall be multiplied by a fraction, the numerator of which is the ratio of the estimated assessed value of property qualifying for the agricultural credit under Minnesota Statutes 1986, section 124.2137, in the taxing jurisdiction for the current assessment year to the estimated total assessed value of all property within the taxing jurisdiction for the current assessment year, and the denominator of which is the ratio of the estimated assessed value of property qualifying for the agricultural credit under Minnesota Statutes 1986, section 124.2137, in the taxing jurisdiction for the previous assessment year to the estimated total assessed value of all property within the taxing jurisdiction for the previous assessment year. The county auditor shall certify the estimated assessed value of property qualifying for the agricultural credit under Minnesota Statutes 1986, section 124.2137, and the estimated assessed value of all property in the taxing jurisdiction as of July 15 to the commissioner of revenue.

(b) For aids paid in 1989 and subsequent years, the amounts determined in paragraph (a) would be adjusted according to the formula provided in section 273.1394, subdivision 2, paragraph (c)."

Renumber the sections of article 6 in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Ramstad moved to amend H.F. No. 2245, as amended by the Senate March 25, 1988, as follows:

(The text of the amended House File is identical to S.F. No. 2095.)

Page 6, line 2, delete "\$40" and insert "\$100" and delete "\$95" and insert "\$155"

Page 7, after line 30, insert:

"Sec. 8. [1987 LEVY FOR SUPPLEMENTAL REVENUE.]

Notwithstanding the provisions of section 4, the 1987 levy for supplemental revenue shall not be increased. However, the department of education may make necessary adjustments and corrections to the amounts levied in 1987 for supplemental revenue; adjustments and corrections shall be based on a minimum increase of \$40."

Page 8, after line 4, insert:

"Sec. 10. [APPROPRIATION.]

In addition to the amount appropriated by Laws 1987, chapter 398, article 1, section 26, subdivision 3, \$17,800,000 is appropriated for fiscal year 1989 from the general fund to the department of education for the increased amount of supplemental revenue for fiscal year 1989 required by section 4."

Renumber the sections of article 1 in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 31 and nays 35, as follows:

Those who voted in the affirmative were:

Anderson	Diessner	Johnson, D.E.	Mehrkens	Reichgott
Beckman	Frank	Knaak	Metzen	Renneke
Belanger	Frederick	Knutson	Novak	Storm
Benson	Frederickson, D.R.	Laidig	Olson	
Bernhagen	Freeman	Larson	Piper	
Brataas	Gustafson	Marty	Purfeerst	
Decker	Hughes	McQuaid	Ramstad	

Those who voted in the negative were:

Adkins	Dahl	Kroening	Moe, R.D.	Schmitz
Berg	Davis	Langseth	Morse	Solon
Berglin	DeCramer	Lantry	Pehler	Spear
Bertram	Dicklich	Lessard	Peterson, D.C.	Stumpf
Brandl	Frederickson, D.J.	Luther	Peterson, R.W.	Vickerman
Chmielewski	Johnson, D.J.	Merriam	Pogemiller	Waldorf
Cohen	Jude	Moe, D.M.	Samuelson	Wegscheid

The motion did not prevail. So the amendment was not adopted.

Mr. Benson moved to amend H.F. No. 2245, as amended by the Senate March 25, 1988, as follows:

(The text of the amended House File is identical to S.F. No. 2095.)

Page 43, after line 7, insert:

“Sec. 4. Minnesota Statutes 1986, section 121.11, subdivision 8, is amended to read:

Subd. 8. [EXAMINATIONS IN ELEMENTARY SCHOOLS.] In order to insure satisfactory completion of subject in the elementary field, the state board ~~may~~ shall require that examinations be given in any elementary school, such examinations to be designated or prepared under the direction of the state board.

Sec. 5. Minnesota Statutes 1986, section 121.165, is amended to read:

121.165 [REPORTS BY THE COMMISSIONER.]

Prior to January 15 of each year, the commissioner of education shall gather and report to the committees on education of the senate and house of representatives from presently available reports or from new reports it may require of school districts, the following types of information: the number of classroom teachers in every district at each training, experience and salary level; the ratio of pupils to full time equivalent certified classroom teachers in every district; the annual schools comparison report published under section 7; and any other district staffing characteristics of fiscal import. This information shall be gathered in such a manner as to render it capable of district by district, regional and statewide comparison and analysis, and in the case of test data, school by school comparison and analysis.

Sec. 6. [121.94] [ADVISORY COUNCIL ON SCHOOL PERFORMANCE.]

Subdivision 1. [ESTABLISHED.] An advisory council to the state board of education is established. The council shall advise the state board on the measurement and reporting of student and teacher performance, the linking of performance in the schools to financing of the schools, and on initiatives for improving performance in the schools.

Subd. 2. [MAKE-UP] The advisory council is made up of 15 members appointed by the state board of education. At least three of the members must be executive directors, or their designees, of the educational cooperative service units. The members must be chosen from among those who have a particular knowledge of and interest in student and teacher performance. The advisory council is subject to section 15.059.

Subd. 3. [ADVISORY DUTIES.] The advisory council shall report to the state board on the matters listed in this subdivision.

(a) The council shall propose by February 1989 a Minnesota elementary test, or MET, to be given to pupils at the end of grade 6, to measure mastery of core course material in science, social studies, mathematics, and communications.

(b) The council shall propose by January 1990 the establishment of a Minnesota qualifying test, or MQT, to be taken by students in grade ten who wish to qualify for post-secondary enrollment options under section 123.3514. This test must require demonstration of skills in higher order thinking as well as satisfactory completion of learner outcomes determined by the department of education.

(c) The council shall propose to the state board, by September 1989, uniform test reporting standards for the Minnesota elementary test.

(d) The council shall advise the state board by October 1989 about the feasibility of a performance index to replace the training component of the school general education aid formula.

(e) The council shall advise the state board about establishing a minimum teacher salary and a teacher shortage fund within each educational cooperative service unit.

(f) The council shall advise the state board on the best means to provide technical assistance to schools working with their school boards on school-based management initiatives.

Sec. 7. [121.941] [ANNUAL SCHOOL COMPARISONS.]

The department of education shall publish annually a schools comparison report. The schools comparison report must identify appropriate inputs from each public elementary school and the testing data from the Minnesota elementary test."

Renumber the sections of article 6 in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 26 and nays 35, as follows:

Those who voted in the affirmative were:

Anderson	Dahl	Johnson, D.E.	McQuaid	Renneke
Belanger	Decker	Knaak	Mehrkens	Storm
Benson	DeCramer	Knutson	Moe, D.M.	
Berglin	Frank	Laidig	Olson	
Bernhagen	Frederickson, D.R.	Larson	Purfeerst	
Brataas	Gustafson	Lessard	Ramstad	

Those who voted in the negative were:

Adkins	Diessner	Lantry	Novak	Samuelson
Berg	Frederickson, D.J.	Luther	Pehler	Schmitz
Bertram	Freeman	Marty	Peterson, D.C.	Spear
Brandl	Hughes	Merriam	Peterson, R.W.	Stumpf
Chmielewski	Jude	Metzen	Piper	Vickerman
Cohen	Kroening	Moe, R.D.	Pogemiller	Waldorf
Davis	Langseth	Morse	Reichgott	Wegscheid

The motion did not prevail. So the amendment was not adopted.

Mr. Jude moved to amend H.F. No. 2245, as amended by the Senate March 25, 1988, as follows:

(The text of the amended House File is identical to S.F. No. 2095.)

Page 44, after line 4, insert:

“Sec. 6. [126.032] [AIDS EDUCATION.]

The department of education shall adopt AIDS education guidelines that encourage schools to help pupils abstain from sexual intercourse and illegal drug use.”

Renumber the sections of article 6 in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Knaak moved to amend H.F. No. 2245, as amended by the Senate March 25, 1988, as follows:

(The text of the amended House File is identical to S.F. No. 2095.)

Page 39, line 36, after the period, insert *“As a further condition of receiving a grant, each district must submit a report to the chairs of the education committees of the legislature about the actual expenditures it made for desegregation using the grant money.”*

The motion prevailed. So the amendment was adopted.

Mr. Frederickson, D.J. moved to amend H.F. No. 2245, as amended by the Senate March 25, 1988, as follows:

(The text of the amended House File is identical to S.F. No. 2095.)

Pages 40 to 42, delete section 1

Page 59, line 5, delete *“Minnesota Statutes 1987 Supplement,”*

Page 59, line 6, delete everything before *“Minnesota”*

Page 59, line 11, delete *“Sections 1 and 11 are”* and insert *“Section 10 is”*

Page 59, line 12, delete *“10, 19, and 20”* and insert *“9, 18, and 19”*

Page 59, lines 14 and 15, delete *“18”* and insert *“17”*

Renumber the sections of article 6 in sequence and correct the internal references

Amend the title accordingly

The motion did not prevail. So the amendment was not adopted.

Mr. Chmielewski moved to amend H.F. No. 2245, as amended by the

Senate March 25, 1988, as follows:

(The text of the amended House File is identical to S.F. No. 2095.)

Page 65, after line 20, insert:

"(5) for a surplus school building that is used substantially for public nonschool purposes;"

Renumber the clauses in sequence

The motion prevailed. So the amendment was adopted.

Mr. Storm moved to amend H.F. No. 2245, as amended by the Senate March 25, 1988, as follows:

(The text of the amended House File is identical to S.F. No. 2095.)

Page 15, after line 16, insert:

"Sec. 3. Minnesota Statutes 1987 Supplement, section 124.32, subdivision 1b, is amended to read:

Subd. 1b. [TEACHERS SALARIES.] Each year the state shall pay to a district a portion of the salary of each essential person employed in the district's program for handicapped children during the regular school year, whether the person is employed by one or more districts. The portion for a full-time person shall be an amount not to exceed the lesser of ~~66~~ 70 percent of the salary or ~~\$18,400~~ \$19,500. The portion for a part-time or limited-time person shall be an amount not to exceed the lesser of ~~66~~ 70 percent of the salary or the product of ~~\$18,400~~ \$19,500 times the ratio of the person's actual employment to full-time employment."

Page 15, after line 25, insert:

"Sec. 5. Minnesota Statutes 1987 Supplement, section 124.574, subdivision 2b, is amended to read:

Subd. 2b. [SALARIES.] Each year the state shall pay to any district or cooperative center a portion of the salary of each essential licensed person employed during that school year for services rendered in that district or center's secondary vocational education programs for handicapped children. The portion for a full-time person shall be an amount not to exceed the lesser of ~~66~~ 70 percent of the salary or ~~\$18,400~~ \$19,500. The portion for a part-time or limited-time person shall be the lesser of ~~66~~ 70 percent of the salary or the product of ~~\$18,400~~ \$19,500 times the ratio of the person's actual employment to full-time employment.

Sec. 6. [124A.245] [LEVY EQUITY REDUCTIONS.]

A district subject to levy equity according to section 124A.24 and receiving additional special education aid because of the increase in the reimbursement rate for the 1988-1989 school year under section 124.32, subdivision 1b, 124.574, subdivision 2b, or 275.125, subdivision 8c, shall have its levy equity deduction reduced in an amount equal to the increase in additional special education funding until the levy equity deduction is equal to zero."

Page 21, after line 14, insert:

"Sec. 18. Minnesota Statutes 1987 Supplement, section 275.125, subdivision 8c, is amended to read:

Subd. 8c. [SPECIAL EDUCATION LEVY.] Each year, a district, excluding intermediate school district Nos. 287, 916, and 917, may levy an amount that may not exceed ~~66~~ 70 percent of salaries paid to essential personnel in that district minus the amount of state aid and any federal aid, if applicable, paid to that district for salaries of these essential personnel under sections 124.32, subdivisions 1b and 10, and 124.574, subdivision 2b, plus 61 percent of salaries paid to essential personnel in that district minus the amount of state aid and any federal aid, if applicable, paid to that district for salaries of these essential personnel under section 124.273, subdivision 1b, for the year to which the levy is attributable.

For purposes of this subdivision, a special education cooperative or an intermediate school district each year shall allocate an amount equal to ~~66~~ 70 percent of salaries paid to essential personnel in that intermediate district or cooperative minus the amount of state aid and any federal aid, if applicable, paid to that intermediate district or cooperative for salaries of these essential personnel under sections 124.32, subdivisions 1b and 10, and 124.574, subdivision 2b, plus 61 percent of salaries paid to essential personnel in that intermediate district or cooperative minus the amount of state aid and any federal aid, if applicable, paid to that intermediate district or cooperative for salaries of these essential personnel under section 124.273, subdivision 1b, for the year to each of the ~~member~~ *member participating* districts of the cooperative or the intermediate district. The ~~member~~ *member participating* districts may make a levy in the amount of the costs allocated to them by the cooperative or intermediate district.

Special education cooperatives and intermediate school districts that allocate unreimbursed portions of salaries of special education essential personnel among ~~member~~ *member participating* districts, for purposes of the ~~member~~ *member participating* districts making a levy under this subdivision, shall provide information to the ~~state~~ department of education on the amount of unreimbursed costs of salaries they allocated to the ~~member~~ *member participating* districts."

Page 25, after line 2, insert:

"Sec. 22. [LEVY ADJUSTMENT.]

The department of education shall subtract the levy reduction computed in section 6 from the districts' levies certified in 1988 for the 1989-1990 school year.

Sec. 23. [APPROPRIATION FOR SPECIAL EDUCATION.]

There is appropriated from the general fund to the department of education for special education aid \$21,800,000 for fiscal year 1989. This amount is in addition to any other appropriation for special education aid."

Renumber the sections of article 3 in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 24 and nays 37, as follows:

Those who voted in the affirmative were:

Anderson	Cohen	Frederickson, D.R.	Laidig	Ramstad
Belanger	Davis	Freeman	Larson	Renneke
Benson	Decker	Gustafson	McQuaid	Storm
Bernhagen	Frederick	Johnson, D.E.	Mehrkens	Vickerman
Brataas	Frederickson, D.J.	Knutson	Morse	

Those who voted in the negative were:

Adkins	DeCramer	Lantry	Pehler	Schmitz
Beckman	Dicklich	Lessard	Peterson, D.C.	Spear
Berg	Diessner	Luther	Peterson, R.W.	Stumpf
Berglin	Frank	Marty	Piper	Waldorf
Bertram	Hughes	Merriam	Pogemiller	Wegscheid
Brandl	Johnson, D.J.	Metzen	Purfeerst	
Chmielewski	Jude	Moe, R.D.	Reichgott	
Dahl	Langseth	Novak	Samuelson	

The motion did not prevail. So the amendment was not adopted.

Mr. Larson moved to amend H.F. No. 2245, as amended by the Senate March 25, 1988, as follows:

(The text of the amended House File is identical to S.F. No. 2095.)

Page 4, after line 26, insert:

"Sec. 3. Minnesota Statutes 1986, section 124.2161, subdivision 5, is amended to read:

Subd. 5. [TEACHER RETIREMENT INFLATION FACTOR.] "Teacher retirement inflation factor" means a factor to be multiplied by a district's teacher retirement obligations for the base year. For the base year of fiscal year 1985, the teacher retirement inflation factor shall be 1.1396. For base years after fiscal year 1985, the teacher retirement inflation factor shall be equal to the ~~foundation aid~~ *general education* formula allowance for the current year, divided by the ~~foundation aid~~ *general education* formula allowance for the base year.

Sec. 4. Minnesota Statutes 1986, section 124.2161, subdivision 6, is amended to read:

Subd. 6. [F.I.C.A. INFLATION FACTOR.] "F.I.C.A. inflation factor" means a factor to be multiplied by a district's F.I.C.A. obligations for the base year. For the base year of fiscal year 1985, the F.I.C.A. inflation factor shall be 1.1599. For base years after fiscal year 1985, the F.I.C.A. inflation factor shall be equal to the ~~foundation aid~~ *general education* formula allowance for the current year, divided by the ~~foundation aid~~ *general education* formula allowance for the base year."

Page 4, line 31, strike "\$2,735" and insert "\$2,440"

Page 4, line 32, delete "\$2,790" and insert "\$2,495"

Page 5, delete lines 10 and 11

Re-number the clauses in sequence

Page 5, delete lines 27 to 31

Page 6, line 14, delete "\$1,100,580,000" and insert "\$979,873,000"

Page 7, after line 30, insert:

"Sec. 10. Laws 1987, chapter 398, article 1, section 26, subdivision 3, is amended to read:

Subd. 3. [GENERAL AND SUPPLEMENTAL EDUCATION AID.] For

general and supplemental education aid there is appropriated:

\$960,483,600 \$851,890,200 1989.

The appropriation is for aid for fiscal year 1989 payable in fiscal year 1989.

Sec. 11. Laws 1987, chapter 398, article 1, section 27, subdivision 3, is amended to read:

Subd. 3. [JUNE 30, 1988.] Minnesota Statutes 1986, sections 124.17, subdivisions 1a and 2d; ~~124.2161; 124.2162; 124.2163;~~ 124.246; 124.247; 124.272; 124.275; 124A.01; 124A.02, subdivisions 5, 6, 9, 11, 12, and 13; 124A.035, subdivision 1; 124A.06, subdivisions 1, 1a, 1b, 2, and 4; 124A.08, subdivisions 1, 2, 4, and 5; 124A.10, subdivisions 1, 2, and 4; 124A.12, subdivisions 1, 2, and 4; 124A.14, subdivisions 1, 2, 3, 4, 5, and 6; 124A.16; 124A.20, subdivisions 1 and 3; 124A.21; 126.031, subdivision 2; 126.60; 126.62; 126.64; 129B.43, subdivisions 2, 3, and 6; 129B.61; 129B.62; 129B.63; 129B.64; 129B.65; 129B.66; and 129B.67 are repealed June 30, 1988.

Sec. 12. [LEVY ADJUSTMENTS.]

The department of education shall adjust the supplemental levies certified in 1988 to account for the restoration of teacher retirement and FICA aid.

Adjustments to the supplemental levy may not be considered in the computation of fiscal year 1989 qualifying mills for determining the additional general education aid under Laws 1987 First Special Session, chapter 4, article 1, section 7, or the levy reduction under Laws 1987 First Special Session, chapter 4, article 1, section 8.

Sec. 13. [SEPARATE ACCOUNT FOR EXCESS MONEY.]

Before a district levies in 1988, it shall deposit in a separate account in the general fund an amount equal to the ratio of the district's adjusted assessed value per actual pupil unit to the equalizing factor defined in Minnesota Statutes, section 124A.02, subdivision 8, times the sum of the district's obligations under Minnesota Statutes, sections 354.42, subdivisions 3 and 5, 354A.12, subdivision 2, 355.208, and 355.287. Each district's general education levy in 1988 shall be reduced by this amount.

Sec. 14. [TEACHER RETIREMENT AND FICA INFLATION FACTORS.]

Notwithstanding Minnesota Statutes, section 124.2161, subdivisions 5 and 6, the department of education shall use 7.5 percent as the inflation adjustment for the formula allowance for the 1989-1990 school year when the department establishes the inflation factor for teacher retirement and FICA obligations."

Page 8, after line 4, insert:

"Sec. 16. [APPROPRIATION.]

There is appropriated from the general fund to the department of education \$211,195,000 for fiscal year 1989 for teacher retirement and FICA aid. This appropriation is in addition to any other appropriation for teacher retirement and FICA aid. The appropriation is based on an aid entitlement of \$248,464,700 for fiscal year 1989."

Page 8, after line 9, insert:

"Sec. 18. [EFFECTIVE DATE.]

Section 11 is effective the day following final enactment."

Renumber the sections of article 1 in sequence and correct the internal references

Amend the title accordingly

The motion did not prevail. So the amendment was not adopted.

Mr. Decker moved to amend H.F. No. 2245, as amended by the Senate March 25, 1988, as follows:

(The text of the amended House File is identical to S.F. No. 2095.)

Page 4, line 31, strike "\$2,735" and insert "\$2,785"

Page 4, line 32, delete "\$2,790" and insert "\$2,820"

Page 4, after line 33, insert:

"Sec. 4. Minnesota Statutes 1987 Supplement, section 124A.22, subdivision 3, is amended to read:

Subd. 3. [COMPENSATORY EDUCATION REVENUE.] *The compensatory education revenue for the 1988-1989 school year for each district equals \$2,735 times the AFDC pupil units counted according to section 124.17, subdivision 1b, for the school year. For the 1989-1990 school year and each year thereafter, the compensatory education revenue for each district equals the formula allowance times the AFDC pupil units counted according to section 124.17, subdivision 1b, for the school year.*

Sec. 5. Minnesota Statutes 1987 Supplement, section 124A.22, subdivision 6, is amended to read:

Subd. 6. [SPARSITY REVENUE.] *For the 1988-1989 school year only, a district's sparsity revenue equals the sum of the results of the following calculation for each qualifying high school in the district:*

(1) \$2,735, multiplied by

(2) the secondary average daily membership of the high school, multiplied by

(3) the quotient obtained by dividing 400 minus the secondary average daily membership by 400 plus the secondary average daily membership, multiplied by

(4) the lesser of one or the quotient obtained by dividing the isolation index minus 23 by ten.

For the 1989-1990 school year and each year thereafter, a district's sparsity revenue for a school year equals the sum of the results of the following calculation for each qualifying high school in the district:

(1) the formula allowance for the school year, multiplied by

(2) the secondary average daily membership of the high school, multiplied by

(3) the quotient obtained by dividing 400 minus the secondary average daily membership by 400 plus the secondary average daily membership, multiplied by

(4) the lesser of one or the quotient obtained by dividing the isolation index minus 23 by ten."

Page 6, line 2, delete "\$40" and insert "\$90" and delete "\$95" and insert "\$120"

Page 6, line 14, delete "\$1,100,580,000" and insert "\$1,112,580,000"

Page 6, after line 17, insert:

"Sec. 8. Minnesota Statutes 1987 Supplement, section 124A.23, subdivision 2, is amended to read:

Subd. 2. [GENERAL EDUCATION LEVY.] To obtain general education revenue for the 1989-1990 school year and each year thereafter, a district may levy an amount not to exceed the general education mill rate times the adjusted assessed valuation of the district for the preceding year. If the amount of the general education levy would exceed the general education revenue, the general education levy shall be determined according to subdivision 3. The adjusted assessed valuation must be determined each year by the equalization aid review committee according to section 124.2131.

Sec. 9. Minnesota Statutes 1987 Supplement, section 124A.23, is amended by adding a subdivision to read:

Subd. 2a. [GENERAL EDUCATION LEVY, 1988-1989 SCHOOL YEAR.] To obtain general education revenue for the 1988-1989 school year, a district may levy an amount not to exceed the general education mill rate times the adjusted assessed valuation of the district for the preceding year. If the amount of the general education levy would exceed the sum of:

(1) the district's compensatory education revenue; plus

(2) the district's training and experience revenue; plus

(3) the district's sparsity revenue; plus

(4) \$2,735 times the district's actual pupil units for the 1988-1989 school year,

the general education levy shall be determined according to section 8.

Sec. 10. Minnesota Statutes 1987 Supplement, section 124A.23, subdivision 3, is amended to read:

Subd. 3. [GENERAL EDUCATION LEVY, DISTRICTS OFF THE FORMULA.] For the 1989-1990 school year and each year thereafter, if the amount of the general education levy for a district exceeds the district's general education revenue, the amount of the general education levy shall be limited to the following:

(1) the district's general education revenue; plus

(2) the amount of the aid reduction for the same school year according to section 124A.24; minus

(3) payments made for the same school year according to section 124A.035, subdivision 4.

For purposes of statutory cross-reference, a levy made according to this subdivision shall be construed to be the levy made according to subdivision 2.

Sec. 11. Minnesota Statutes 1987 Supplement, section 124A.23, is amended by adding a subdivision to read:

Subd. 3a. [GENERAL EDUCATION LEVY, DISTRICTS OFF THE

FORMULA, 1988-1989 SCHOOL YEAR.] *If the amount of the general education levy for a district for the 1988-1989 school year exceeds the district's general education revenue, the amount of the general education levy is limited to the following:*

(1) *the sum of the district's (i) compensatory revenue, (ii) training and experience revenue, (iii) sparsity revenue, and (iv) \$2,735 times the district's actual pupil units for the 1988-1989 school year; plus*

(2) *the amount of the aid reduction for the same school year according to section 124A.24; minus*

(3) *payments made for the same school year according to section 124A.035, subdivision 4.*

For statutory cross-reference, a levy made according to this subdivision is the levy made according to section 6."

Page 6, after line 30, insert:

"Sec. 13. [124A.245] [GENERAL EDUCATION LEVY EQUITY, 1988-1989 SCHOOL YEAR.]

If a district's general education levy for the 1988-1989 school year is determined according to section 6, an amount must be deducted from state aid authorized in this chapter and chapter 124, receivable for the same school year, and from other state aid payments receivable for the same school year authorized in sections 273.115; 273.116; 273.123, subdivision 6; 273.13, subdivision 15a; and Laws 1983, chapter 342, article 8, section 8. The aid in section 124.646 must not be reduced.

The amount of the deduction equals one-fourth of the differences between:

(1) *the general education mill rate, according to section 124A.23, times the district's adjusted assessed valuation used to determine the general education aid for the same school year; and*

(2) *the sum of the district's (i) compensatory revenue, (ii) training and experience revenue, (iii) sparsity revenue, and (iv) \$2,735 times the district's actual pupil units for the 1988-1989 school year.*

Sec. 14. Minnesota Statutes 1987 Supplement, section 124A.25, subdivision 4, is amended to read:

Subd. 4. [SUPPLEMENTAL LEVY.] *To obtain supplemental revenue for the 1989-1990 school year and each year thereafter, a district may levy an amount not to exceed the product of its supplemental revenue for the school year times the lesser of one or the ratio of its general education levy to its general education revenue for the same year.*

Sec. 15. Minnesota Statutes 1987 Supplement, section 124A.25, is amended by adding a subdivision to read:

Subd. 4a. [SUPPLEMENTAL LEVY, 1988-1989 SCHOOL YEAR.] *To obtain supplemental revenue for the 1988-1989 school year, a district may levy an amount not to exceed the product of its supplemental revenue for the school year times the lesser of one or the ratio of its general education levy to the sum of the following calculation:*

(1) *the district's compensatory revenue; plus*

(2) *the district's training and experience revenue; plus*

(3) the district's sparsity revenue; plus

(4) \$2,735 times the district's actual pupil units for the 1988-1989 school year."

Page 8, after line 4, insert:

"Sec. 18. [APPROPRIATIONS.]

There is appropriated from the general fund to the department of education the sum of \$30,200,000 for general education aid for the 1988-1989 school year. This sum is added to the sum appropriated in Laws 1987, chapter 398, article 1, section 26, subdivision 2.

The appropriation is based on an aid entitlement of \$35,500,000 for fiscal year 1989."

Renumber the sections of article 1 in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 28 and nays 32, as follows:

Those who voted in the affirmative were:

Anderson	Dahl	Frederickson, D.R.	Lessard	Ramstad
Beckman	Davis	Gustafson	McQuaid	Renneke
Belanger	Decker	Johnson, D.E.	Mehrkens	Storm
Benson	Frank	Jude	Metzen	Vickerman
Bernhagen	Frederick	Laidig	Morse	
Brataas	Frederickson, D.J.	Larson	Purfeerst	

Those who voted in the negative were:

Adkins	DeCramer	Langseth	Peterson, D.C.	Spear
Berg	Dicklich	Lantry	Peterson, R.W.	Stumpf
Berglin	Diessner	Luther	Piper	Waldorf
Bertram	Freeman	Marty	Pogemiller	Wegscheid
Brandl	Hughes	Merriam	Reichgott	
Chmielewski	Johnson, D.J.	Moe, R.D.	Samuelson	
Cohen	Kroening	Pehler	Schmitz	

The motion did not prevail. So the amendment was not adopted.

Mr. Benson moved to amend H.F. No. 2245, as amended by the Senate March 25, 1988, as follows:

(The text of the amended House File is identical to S.F. No. 2095.)

Page 15, after line 25, insert:

"Sec. 4. Minnesota Statutes 1987 Supplement, section 124.573, subdivision 2b, is amended to read:

Subd. 2b. [SECONDARY VOCATIONAL AID.] For 1988-1989 and later school years, a district's or cooperative center's "secondary vocational aid" for secondary vocational education programs for a school year equals the sum of the following amounts:

(a) the greater of zero, or 75 percent of the difference between:

(1) the salaries paid to essential, licensed personnel in that school year for services rendered in that district's or cooperative center's approved secondary vocational education programs, and

(2) ~~50~~ 40 percent of the general education revenue attributable to secondary pupils for the number of hours that the pupils are enrolled in secondary vocational courses; and

(b) 30 percent of approved expenditures for the following:

(1) contracted services provided by a public or private agency other than a Minnesota school district or cooperative center under section 124.573, subdivision 3a;

(2) necessary travel between instructional sites by licensed secondary vocational education personnel;

(3) necessary travel by licensed secondary vocational education personnel for vocational student organization activities held within the state for instructional purposes;

(4) curriculum development activities that are part of a five-year plan for improvement based on program assessment;

(5) necessary travel by licensed secondary vocational education personnel for noncollegiate credit bearing professional development; and

(6) specialized vocational instructional supplies.”

Page 26, after line 14, insert:

“Sec. 21. [APPROPRIATION.]

In addition to the amount appropriated by Laws 1987, chapter 398, article 3, section 39, subdivision 14, \$4,800,000 is appropriated for fiscal year 1989 from the general fund to the department of education for secondary vocational education aid according to Minnesota Statutes, section 124.573.”

Renumber the sections of article 3 in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 27 and nays 31, as follows:

Those who voted in the affirmative were:

Anderson	Brataas	Johnson, D.E.	Mehrkens	Storm
Beckman	Davis	Laidig	Metzen	Vickerman
Belanger	Decker	Langseth	Morse	Wegscheid
Benson	Frederick	Larson	Ramstad	
Bernhagen	Frederickson, D.J.	Lessard	Renneke	
Bertram	Frederickson, D.R.	McQuaid	Schmitz	

Those who voted in the negative were:

Adkins	Diessner	Lantry	Peterson, D.C.	Spear
Berglin	Frank	Luther	Peterson, R.W.	Stumpf
Brandl	Freeman	Marty	Piper	Waldorf
Cohen	Hughes	Merriam	Pogemiller	
Dahl	Johnson, D.J.	Moe, D.M.	Reichgott	
DeCramer	Jude	Moe, R.D.	Samuelson	
Dicklich	Kroening	Pehler	Solon	

The motion did not prevail. So the amendment was not adopted.

H.F. No. 2245 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 45 and nays 16, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Merriam	Purfeerst
Berg	DeCramer	Kroening	Moe, D.M.	Reichgott
Berglin	Dicklich	Laidig	Moe, R.D.	Samuelson
Bernhagen	Diessner	Langseth	Morse	Schmitz
Bertram	Frederickson, D.J.	Lantry	Pehler	Solon
Brandl	Freeman	Larson	Peterson, D.C.	Spear
Chmielewski	Hughes	Lessard	Peterson, R.W.	Stumpf
Cohen	Johnson, D.E.	Luther	Piper	Waldorf
Dahl	Johnson, D.J.	Mehrkens	Pogemiller	Wegscheid

Those who voted in the negative were:

Anderson	Brataas	Frederick	McQuaid	Renneke
Beckman	Decker	Frederickson, D.R.	Metzen	Storm
Belanger	Frank	Marty	Ramstad	Vickerman
Benson				

So the bill, as amended, passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Peterson, R. W. moved that S.F. No. 2095, No. 131 on General Orders, be stricken and laid on the table. The motion prevailed.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

S.F. No. 1711: Messrs. Chmielewski, Lessard and Solon.

S.F. No. 321: Messrs. Merriam; Peterson, R.W. and Ramstad.

H.F. No. 1831: Messrs. Larson, Freeman and Spear.

H.F. No. 85: Messrs. Dahl, Spear and Johnson, D.E.

H.F. No. 1790: Messrs. Solon, Belanger and Dicklich.

S.F. No. 1622: Messrs. Stumpf, Bernhagen and Langseth.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

MEMBERS EXCUSED

Mr. Benson was excused from the Session of today from 12:00 noon to 1:45 p.m. Mr. Chmielewski was excused from the Session of today from 1:30 to 1:50 p.m. Mr. Solon was excused from the Session of today from 6:00 to 6:45 p.m. Ms. Olson was excused from the Session of today at 6:15 p.m. Mr. Knaak was excused from the Session of today at 6:30 p.m. Mr.

Novak was excused from the Session of today at 6:45 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:00 noon, Monday, March 28, 1988. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

SEVENTY-SEVENTH DAY

St. Paul, Minnesota, Monday, March 28, 1988

The Senate met at 12:00 noon and was called to order by the President.

CALL OF THE SENATE

Mr. Pogemiller imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. M.E. Sandness.

The roll was called, and the following Senators answered to their names:

Adkins	Davis	Jude	Moe, D.M.	Samuelson
Anderson	Decker	Knaak	Moe, R.D.	Schmitz
Beckman	DeCramer	Knutson	Morse	Solon
Belanger	Dicklich	Kroening	Novak	Spear
Benson	Diessner	Laidig	Olson	Storm
Berg	Frank	Langseth	Pehler	Stumpf
Berglin	Frederick	Lantry	Peterson, D.C.	Taylor
Bernhagen	Frederickson, D.J.	Larson	Peterson, R.W.	Vickerman
Bertram	Frederickson, D.R.	Lessard	Piper	Waldorf
Brandl	Freeman	Luther	Pogemiller	Wegscheid
Brataas	Gustafson	Marty	Purfeerst	
Chmielewski	Hughes	McQuaid	Ramstad	
Cohen	Johnson, D.E.	Merriam	Reichgott	
Dahl	Johnson, D.J.	Metzen	Renneke	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communication was received.

March 25, 1988

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. Nos. 896 and 1772.

Sincerely,
Rudy Perpich, Governor

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the adoption by the House of the following Senate Concurrent Resolution, herewith returned:

Senate Concurrent Resolution No. 25: A Senate concurrent resolution relating to adjournment for more than three days.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 28, 1988

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was referred

S.F. No. 1771: A bill for an act relating to taxation; retaining strict levy limits for cities and counties that do not comply with pay equity requirements; reducing 1992 local government aids of cities and counties that do not implement equitable compensation plans.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 12, after "*subdivision*" insert a comma

Page 1, line 14, delete "*a*" and insert "*the*"

Page 1, line 15, delete everything after the period

Page 1, delete lines 16 to 21

Page 1, line 22, delete "(3)"

Page 1, line 23, delete everything after "*employees*"

Page 1, line 24, delete "*implementation. The plan*"

Page 3, delete lines 28 to 33

Page 3, line 34, delete "7" and insert "6"

Page 3, line 35, after "*finds*" insert "*, after notice and consultation with a governmental subdivision,*" and delete "*a governmental*" and insert "*it*"

Page 3, line 36, delete "*subdivision*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was re-referred

S.F. No. 1877: A bill for an act relating to counties; exempting the issuance of certain county bonds from the election requirement; authorizing county building fund levies; amending Minnesota Statutes 1986, sections 373.25,

subdivision 1; 475.52, subdivision 3; and 475.58, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 373.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 8, after the period, insert "*Capital improvement*" does not include light rail transit or any activity related to it."

Page 3, line 11, after "commissioner" and insert "of revenue"

Page 3, line 12, delete "The provisions of"

Page 3, delete line 13

Page 3, line 30; delete "and"

Page 3, after line 30, insert:

"(7) operating costs of the proposed improvements; and"

Page 3, line 31, delete "(7)" and insert "(8)"

Page 3, delete line 36

Page 4, delete lines 1 to 9 and insert "*The county must submit the capital improvement plan to the community development division of the department of trade and economic development. The plan is not effective if the commissioner disapproves the plan within 90 days after it was submitted. If the commissioner has not disapproved the plan within 90 days after its submission, the plan is deemed approved and effective. The commissioner shall disapprove a capital improvement plan only if the commissioner determines (1) that the planned improvements cannot be financed within the limits specified in subdivision 4, or (2) the county in preparing the plan did not consider the factors listed in this subdivision or failed to gather the information necessary to evaluate the plan under the factors, or (3) the proposed improvements will result in unnecessary duplication of public facilities provided by other units of government in the region or there is insufficient demand for the facility. If the plan is disapproved by the commissioner and the county board does not withdraw the plan, the capital improvement plan must be submitted to the voters for approval. If a majority of the voters approve, the plan is approved and effective.*"

Page 5, delete lines 6 to 19

Page 5, line 20, delete "8" and insert "7"

Page 5, line 31, after the comma, insert "*and for capital equipment for the administration and conduct of elections providing the equipment is uniform countywide,*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was referred

H.F. No. 1302: A bill for an act relating to Itasca county; permitting the county to levy a tax for economic development.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [ITASCA COUNTY; DEVELOPMENT LEVY.]

The Itasca county board may annually levy a tax of not more than one mill on taxable property in the county, to provide funds to be used by the county for tourist, agricultural, industrial, and economic development. This tax may be levied only if, by October 1 of the levy year, the county board has a commitment from a foundation or similar organization to provide matching funds for this purpose in the amount equal to the levy to be paid during the following 15 months. No part of the proceeds of this levy may be used to provide a direct loan or grant to any individual or for-profit enterprise. A levy under this section is in addition to any other permitted by law and shall be disregarded in the calculation of any other levies or limits on levies provided by Minnesota Statutes, sections 275.50 to 275.56 or other law.

Sec. 2. [REVERSE REFERENDUM.]

If the Itasca county board intends to exercise the authority provided by section 1, it shall pass a resolution stating the fact. The resolution shall then be published for two successive weeks in the official newspaper of the county or, if there is no official newspaper, in a newspaper of general circulation in the county, with a notice fixing a date for a public hearing on the matter. The hearing shall be held not less than two weeks nor more than four weeks after the first publication of the resolution. Following the public hearing, the county may determine to take no further action or adopt a resolution confirming its intention to exercise the authority. That resolution shall also be published in the official newspaper of the county or, if there is no official newspaper, in a newspaper of general circulation in the county. If within 30 days after that publication, a petition, signed by voters equal in number to five percent of the votes cast in the county in the last general election, that requests a vote on the proposed resolution is filed with the county auditor, the resolution shall not take effect until it has been submitted to the voters at a general or special election and a majority of votes cast on the question of approving the resolution is in the affirmative. The commissioner of revenue shall prepare a suggested form of question to be presented at the election. The referendum must be held at a special or general election before October 1 of the first year for which the tax authorized under section 1 is proposed to be levied.

Sec. 3. [LOCAL APPROVAL.]

This act takes effect the day after the Itasca county board complies with Minnesota Statutes, section 645.021, subdivision 3.”

Amend the title as follows:

Page 1, line 3, before the period, insert “; providing for a reverse referendum”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was referred

H.F. No. 1851: A bill for an act relating to local government; regulating duties of town officers; setting town powers; amending Minnesota Statutes

1986, sections 18.272; 465.71; and 471.653; and Minnesota Statutes 1987 Supplement, section 115A.921; and repealing Minnesota Statutes 1986, section 365.03.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 23, after "board" insert "*for failure, refusal, or neglect to perform a duty imposed on members of a town board under those sections*"

Pages 1 and 2, delete section 2 and insert:

"Sec. 2. Minnesota Statutes 1986, section 367.30, subdivision 2, is amended to read:

Subd. 2. [OPTION B; APPOINTMENT OF CLERK AND TREASURER.] Any town may provide for the appointment by the town board of its clerk or treasurer, or both, ~~or clerk treasurer~~, as hereinafter provided for in sections 367.30 to 367.36. This option shall be referred to as option B.

Sec. 3. Minnesota Statutes 1986, section 367.30, subdivision 4, is amended to read:

Subd. 4. [OPTION D; COMBINATION OF THE OFFICES OF CLERK AND TREASURER.] Any town ~~exercising the powers of a statutory city pursuant to section 368.01 or pursuant to a special law granting substantially similar powers~~ may provide for combining the offices of clerk and treasurer. *A town may provide that the combined office be made elective or appointive.* This option shall be referred to as option D.

Sec. 4. Minnesota Statutes 1986, section 367.31, subdivision 4, is amended to read:

Subd. 4. [ELECTION; FORM OF BALLOT.] The proposals for adoption of the options shall be stated on the ballot substantially as follows:

"Shall option A, providing for a five member town board of supervisors, be adopted for the government of the town?"

"Shall option B, providing for the appointment of the clerk and treasurer by the town board, be adopted for the government of the town?"

"Shall option C, providing for the appointment of a town administrator by the town board, be adopted for the government of the town?"

"Shall option D, providing for the combining of the offices of clerk and treasurer, be adopted for the government of the town?"

If a proposal under option B is to appoint only the clerk or only the treasurer, the ballot question shall be varied to read appropriately. ~~If a town has combined the offices of clerk and treasurer, the word "clerk treasurer" shall be substituted for the words "clerk and treasurer" in the question on the ballot on adoption of option B.~~ *The ballot question for a proposal under option D must be varied to show whether the combined office is to be appointive or elective.* In any of these cases, the question shall be followed by the words "Yes" and "No" with an appropriate square before each in which an elector may record a choice.

Sec. 5. Minnesota Statutes 1986, section 367.34, is amended to read:
367.34 [CONTINUANCE IN OFFICE; ELECTIONS.]

Subdivision 1. [OPTION B; INCUMBENT CLERK AND TREASURER.] If option B is adopted at the election at which the office of clerk or treasurer, ~~or clerk-treasurer,~~ is to be elected, the candidate elected to that office shall not assume office and that candidate's election shall be considered null. Otherwise when option B is adopted in a town, the incumbent clerk ~~and or treasurer, or clerk-treasurer,~~ shall continue to serve until the expiration of their terms or until an earlier vacancy occurs.

Subd. 2. [ABANDONMENT OF OPTION B.] When option B is abandoned, the offices of clerk ~~and or treasurer, or clerk-treasurer,~~ that would be filled at that election, shall be filled conditionally at that election, and the ballot shall indicate that the successful candidate or candidates shall assume office only if the option is abandoned as a result of the election."

Page 3, delete section 4

Page 3, line 34, delete "1986" and insert "1987 Supplement"

ReNUMBER the sections in sequence

Amend the title as follows:

Page 1, line 4, after "18.272;" insert "367.30, subdivisions 2 and 4; 367.31, subdivision 4; 367.34; and" and delete "and 471.653;"

Page 1, delete line 5

Page 1, line 6, delete "115A.921;" and delete "1986" and insert "1987 Supplement"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was referred

S.F. No. 2163: A bill for an act relating to metropolitan government; limiting the metropolitan council's taxing authority; amending Minnesota Statutes 1986, section 473.249, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 473.167, subdivision 2, is amended to read:

Subd. 2. [LOANS FOR ACQUISITION.] The council may make loans to counties, towns, and statutory and home rule charter cities within the metropolitan area for the purchase of property within the right-of-way of a state trunk highway shown on an official map adopted pursuant to section 394.361 or 462.359 or for the purchase of property within the proposed right-of-way of a principal or intermediate arterial highway designated by the council as a part of the metropolitan highway system plan and approved by the council pursuant to subdivision 1. The loans shall be made by the council, from the fund established pursuant to this subdivision, for purchases approved by the council. The loans shall bear no interest. The council shall make loans only: (1) to accelerate the acquisition of primarily undeveloped property when there is a reasonable probability that the property will increase in value before highway construction, or (2) to avert the

imminent conversion or the granting of approvals which would allow the conversion of property to uses which would jeopardize its availability for highway construction. The council shall not make loans for the purchase of property at a price which exceeds the fair market value of the property or which includes the costs of relocating or moving persons or property. A private property owner may elect to receive the purchase price either in a lump sum or in not more than four annual installments without interest on the deferred installments. If the purchase agreement provides for installment payments, the council shall make the loan in installments corresponding to those in the purchase agreement. The recipient of an acquisition loan shall convey the property for the construction of the highway at the same price which the recipient paid for the property. Upon notification by the council that the plan to construct the highway has been abandoned or the anticipated location of the highway changed, the recipient shall sell the property at market value in accordance with the procedures required for the disposition of the property. All rents and other money received because of the recipient's ownership of the property and all proceeds from the conveyance or sale of the property shall be paid to the council. The proceeds of the tax authorized by subdivision 3, all money paid to the council by recipients of loans, and all interest on the proceeds and payments shall be maintained as a separate fund. For administration of the loan program the council may expend from the fund each year an amount no greater than three percent of the amount that a metropolitan area tax levy of 5.400 of a mill would raise in of the authorized levy for that year.

Sec. 2. Minnesota Statutes 1986, section 473.167, is amended by adding a subdivision to read:

Subd. 4. [LEVY INCREASE.] For taxes payable in 1989, the levy limit established in subdivision 3 for that year shall be doubled. For taxes payable in 1990 and subsequent years, the levy limit established by this subdivision for taxes payable in 1989 shall also be doubled.

Sec. 3. Minnesota Statutes 1986, section 473.249, is amended by adding a subdivision to read:

Subd. 3. [LEVY LIMIT.] Notwithstanding any other provision of this section, effective for property taxes payable in 1989 and subsequent years, the total amount of dollars levied by the council for general purposes under this section in any year may not increase over the amount levied in the preceding year by a percentage greater than the percentage increase during the most recent 12-month period in the implicit price deflator for state and local government purchases of goods and services.

Sec. 4. [EFFECTIVE DATE.]

Section 3 is effective in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington for property taxes levied in 1988 and payable in 1989 and subsequent years."

Amend the title as follows:

Page 1, line 4, delete "section" and insert "sections 473.167, subdivision 2, and by adding a subdivision; and" and after "473.249," insert "by adding a"

Page 1, line 5, delete "1"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2477 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2477	2175				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2477 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2477 and insert the language after the enacting clause of S.F. No. 2175, the first engrossment; further, delete the title of H.F. No. 2477 and insert the title of S.F. No. 2175, the first engrossment.

And when so amended H.F. No. 2477 will be identical to S.F. No. 2175, and further recommends that H.F. No. 2477 be given its second reading and substituted for S.F. No. 2175, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2546 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2546	2300				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2546 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2546 and insert the language after the enacting clause of S.F. No. 2300, the first engrossment; further, delete the title of H.F. No. 2546 and insert the title of S.F. No. 2300, the first engrossment.

And when so amended H.F. No. 2546 will be identical to S.F. No. 2300, and further recommends that H.F. No. 2546 be given its second reading and substituted for S.F. No. 2300, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2192 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2192	1876				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2192 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2192 and insert the language after the enacting clause of S.F. No. 1876, the first engrossment; further, delete the title of H.F. No. 2192 and insert the title of S.F. No. 1876, the first engrossment.

And when so amended H.F. No. 2192 will be identical to S.F. No. 1876, and further recommends that H.F. No. 2192 be given its second reading and substituted for S.F. No. 1876, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2086 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2086	1980				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2086 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2086 and insert the language after the enacting clause of S.F. No. 1980, the first engrossment; further, delete the title of H.F. No. 2086 and insert the title of S.F. No. 1980, the first engrossment.

And when so amended H.F. No. 2086 will be identical to S.F. No. 1980, and further recommends that H.F. No. 2086 be given its second reading and substituted for S.F. No. 1980, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2341 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2341	2506				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2341 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2341 and insert the language after the enacting clause of S.F. No. 2506, the second engrossment; further, delete the title of H.F. No. 2341 and insert the title of S.F. No. 2506, the second engrossment.

And when so amended H.F. No. 2341 will be identical to S.F. No. 2506, and further recommends that H.F. No. 2341 be given its second reading and substituted for S.F. No. 2506, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2317 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
				2317	1817

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2317 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2317 and insert the language after the enacting clause of S.F. No. 1817, further, delete the title of H.F. No. 2317 and insert the title of S.F. No. 1817.

And when so amended H.F. No. 2317 will be identical to S.F. No. 1817, and further recommends that H.F. No. 2317 be given its second reading and substituted for S.F. No. 1817, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1526 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File

as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
				1526	1060

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1526 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1526 and insert the language after the enacting clause of S.F. No. 1060, the first engrossment; further, delete the title of H.F. No. 1526 and insert the title of S.F. No. 1060, the first engrossment.

And when so amended H.F. No. 1526 will be identical to S.F. No. 1060, and further recommends that H.F. No. 1526 be given its second reading and substituted for S.F. No. 1060, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was re-referred

H.F. No. 1749: A bill for an act relating to transportation; increasing the tax on gasoline and special fuel to 20 cents per gallon; increasing the share of motor vehicle excise tax revenues dedicated to highways and transit to 35 percent; amending Minnesota Statutes 1986, section 296.02, subdivision 1b; and Minnesota Statutes 1987 Supplement, sections 296.025, subdivisions 2a and 2b; and 297B.09, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 11, insert:

"Section 1. Minnesota Statutes 1986, section 168.013, subdivision 1a, is amended to read:

Subd. 1a. [PASSENGER AUTOMOBILES; AMBULANCES; HEARSEs.] On passenger automobiles as defined in section 168.011, subdivision 7, ambulances, and hearses, except as otherwise provided, the tax shall be \$10 plus an additional tax equal to 1.25 percent of the base value, except that on pickup trucks the tax shall be:

(a) for the 1982 registration year, \$10 plus an additional tax equal to .75 percent of base value;

(b) for the 1983 registration year and each succeeding year, \$10 plus an additional tax equal to 1.25 percent of base value.

Subject to the classification provisions herein, "base value" means the manufacturer's suggested retail price of the vehicle including destination charge as reflected on the price listing affixed to the vehicle in conformity with United States Code, title 15, sections 1231 to 1233 (Public Law Number 85-506) or otherwise suggested by the manufacturer or determined by the registrar if no suggested retail price exists, and shall not include the cost of each accessory or item of optional equipment separately added to the vehicle and the suggested retail price.

If unable to determine the base value because the vehicle is specially constructed, or for any other reason, the registrar may establish such value upon the cost price to the purchaser or owner as evidenced by a certificate of cost but not including Minnesota sales or use tax or any local sales or other local tax.

The registrar shall classify every vehicle in its proper base value class as follows:

FROM	TO
\$ 0	\$199.99
200	399.99

and thereafter a series of classes successively set in brackets having a spread of \$200 consisting of such number of classes as will permit classification of all vehicles.

The base value for purposes of this section shall be the middle point between the extremes of its class.

The registrar shall establish the base value, when new, of every passenger automobile, ambulance and hearse registered prior to the effective date of Extra Session Laws 1971, chapter 31, using list price information published by the manufacturer or any nationally recognized firm or association compiling such data for the automotive industry. If unable to ascertain the base value of any registered vehicle in the foregoing manner, the registrar may use any other available source or method. The tax on all previously registered vehicles shall be computed upon the base value thus determined taking into account the depreciation provisions of Extra Session Laws 1971, chapter 31 this subdivision.

(a) Except as provided in paragraph (b), the annual additional tax computed upon the base value as provided herein, during the first year and second years of vehicle life shall be computed upon 100 percent of the base value; for the second year third and fourth years, 90 percent of such value; for the third year fifth and sixth years, 75 percent of such value; for the fourth year seventh and eighth years, 60 percent of such value; for the fifth ninth year, 45 percent of such value; for the sixth year, 35 percent of such value; for the seventh tenth year, 30 percent of such value; for the eighth 11th year, 20 percent of such value; for the ninth year, 15 percent of such value; for the tenth year, ten percent of such value; for the 11th 12th and each succeeding year, the sum of \$13; provided that for registrations renewed on or after January 1, 1982, the annual additional tax for the 11th and each succeeding year of vehicle life shall be \$13; for registrations renewed on or after January 1, 1983, the annual additional tax shall be \$18; for registrations renewed on or after January 1, 1984, the annual additional tax shall be \$22; and for registrations renewed on or after January 1, 1985, the annual additional tax shall be \$25.

In no event shall the annual additional tax be less than \$13 for any registration renewed after January 1, 1982, nor less than \$18 for any registration renewed after January 1, 1983, \$22 for any registration renewed after January 1, 1984; and \$25 for any registration renewed after January 1, 1985.

(b) The annual additional tax on a vehicle for any year under paragraph (a), as amended in this act, shall not exceed the amount of the annual additional tax on that vehicle under Minnesota Statutes 1986, section 168.013, subdivision 1a.

Sec. 2. Minnesota Statutes 1987 Supplement, section 168.27, subdivision 16, is amended to read:

Subd. 16. [~~DEALER PLATES, DISTINGUISHING NUMBERS.~~] (a) The registrar shall issue to every motor vehicle dealer, upon a request from the motor vehicle dealer licensed as provided in subdivision 2 or 3, one or more plates displaying a general distinguishing number upon the payment of \$10 to the registrar. In addition the dealer shall pay a motor vehicle excise tax of \$15 annually for each dealer plate purchased as required by section 297B.035. The registrar shall deposit the tax in the state treasury and it shall be credited as provided in section 297B.09. Motor vehicles, new or used, owned by the motor vehicle dealer and bearing the number plate, except vehicles leased to the user who is not an employee of the dealer during the term of the lease, held for hire, or customarily used by the dealer as a tow truck, service truck, or parts pickup truck, may be driven upon the streets and highways of this state as follows:

(1) by the motor vehicle dealer, or any employee of the motor vehicle dealer or by any member of the immediate family of the dealer or employee for either private or business purposes;

(2) for demonstration purposes by any prospective buyer thereof for a period of 48 hours or in the case of a truck, truck-tractor, or semitrailer, for a period of seven days; or

(3) in a promotional event that lasts no longer than four days in which at least three motor vehicles are involved.

(b) A new or used motor vehicle sold by the motor vehicle dealer and bearing the motor vehicle dealer's number plate may be driven upon the public streets and highways for a period of 72 hours by the buyer for either of the following purposes: (1) Removing the vehicle from this state for registration in another state, or (2) permitting the buyer to use the motor vehicle before the buyer receives number plates pursuant to registration. Use of a motor vehicle by the buyer under the provisions of clause (2) of the preceding sentence before the buyer receives number plates pursuant to registration constitutes a use of the public streets or highways for the purpose of the time requirements for registration of motor vehicles."

Page 1, line 15, reinstate the stricken language:

Page 1, after line 23, insert:

"(a) For the period on and after May 1, 1988, gasoline"

Page 1, line 24, reinstate the stricken "is taxed at the"

Page 1, after line 24, insert:

"(b) For the period beginning April 1, 1989, and thereafter, gasoline is taxed at the rate determined under section 4."

Sec. 4. Minnesota Statutes 1986, section 296.02, is amended by adding a subdivision to read:

Subd. 1c. [ANNUAL ADJUSTMENT OF TAX RATE.] (a) Beginning in 1989, on or before February 1 of each year, the commissioner shall recompute and publish the rate for the tax imposed under section 296.02, subdivision 1. The new rate per gallon must be calculated by multiplying the rate in effect at the time of the calculation by an amount obtained by

multiplying the amount under paragraph (b) by the amount under paragraph (c).

(b) Divide the highway maintenance cost index, as computed by the federal Department of Transportation, Federal Highway Administration, for the year prior to the year during which the calculation is made by that index for the year that is two years prior to the year during which the calculation is made.

(c) Divide the number of gallons of motor fuel and special fuel sold in this state, as estimated by the department, during the year two years prior to the year during which the calculation is made minus any shrinkage allowed by the department by the number obtained by subtracting from the number of gallons of motor fuel and special fuel sold in this state, as estimated by the department, during the year prior to the year during which the calculation is made any shrinkage allowed by the department.

(d) The rate calculated under this section must be rounded to the nearest one-tenth of one cent.

(e) The rate calculated under this section is effective on the April 1 after the calculation and applies to all gasoline in distributor bulk storage on that date.

(f) The fees charged for compressed natural gas user permits under section 296.026, subdivision 2, shall be adjusted annually on April 1 of 1989 and subsequent years by a percentage equal to the percentage of adjustment of the rate of the tax on gasoline and special fuels under this subdivision."

Page 2, after line 17, insert:

"Sec. 7. Minnesota Statutes 1986, section 296.026, subdivision 2, is amended to read:

Subd. 2. [PERMIT FEES IMPOSED.] The fees for annual compressed natural gas user permits are based on each vehicle's mileage in the preceding year and are as follows:

Gross Vehicle Weight	Fee
Under 12,000 pounds	\$ 9 \$10.60 per 1,000 miles
12,001 - 18,000 pounds	\$16 \$18.80 per 1,000 miles
18,001 - 26,000 pounds	\$23 \$27.10 per 1,000 miles
26,001 - 36,000 pounds	\$27 \$31.80 per 1,000 miles
Over 36,000 pounds	\$34 \$40.00 per 1,000 miles

The maximum fee for an annual compressed natural gas user permit for vehicles in all gross vehicle weight classes shall not exceed the fee charged for 22,000 actual miles driven. If no true cumulative mileage figures are available for the preceding year, the fee charged under this section shall be based on 15,000 miles driven.

The fee for a permit required by this section must be calculated based on the number of unexpired months remaining in the registration year of the vehicle as measured from the date of the occurrence of the event requiring the permit.

Sec. 8. Minnesota Statutes 1986, section 297B.035, subdivision 2, is amended to read:

Subd. 2. Motor vehicles which satisfy the definitions of subdivision 1, shall be taxed at a yearly rate of ~~\$15~~ \$30 per dealer plate. This tax shall be paid when dealer plates are purchased and shall be deposited in the state treasury and credited as provided in section 297B.09. This tax shall be in lieu of any other state sales, excise, or use tax."

Page 4, after line 2, insert:

"Sec. 10. [REPEALER.]

Laws 1987, chapter 268, article 18, section 5, is repealed."

Page 4, line 5, delete "4" and insert "9"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "increasing the motor vehicle registration tax and the tax on dealer's licenses;"

Page 1, line 3, before the semicolon, insert "and indexing the rate of the tax"

Page 1, line 6, after the semicolon, insert "repealing the contingent income tax increase provision;" and delete "section" and insert "sections 168.013, subdivision 1a;"

Page 1, line 7, after "1b" insert ", and by adding a subdivision; 296.026, subdivision 2; 297B.035, subdivision 2"

Amend the report from the Committee on Finance, adopted by the Senate March 7, 1988, as follows:

Delete the amendment to page 4, line 4, and insert:

"Section 1 is effective July 1, 1988, for registration taxes due on and after that date. Sections 3 to 6 are effective May 1, 1988, and apply to"

Delete the title amendment to page 1, lines 8 and 9, and insert "Supplement, sections 168.27, subdivision 16; and 296.025, subdivisions 2a and 2b; repealing Laws 1987, chapter 268, article 18, section 5."

And when so amended the bill do pass. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 1771, 1877 and 2163 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 1302, 1851, 2477, 2546, 2192, 2086, 2341, 2317, 1526 and 1749 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Novak moved that his name be stricken as a co-author to S.F. No. 1999. The motion prevailed.

Mr. Johnson, D.J. moved that the name of Mr. Novak be added as a co-author to S.F. No. 2215. The motion prevailed.

Remaining on the Order of Business of Motions and Resolutions, Mr.

Moe, R.D. moved that the Senate take up the Calendar. The motion prevailed.

CALENDAR

H.F. No. 2134: A bill for an act relating to real property; requiring recordation of transfers of contracts for deed; providing penalties; amending Minnesota Statutes 1986, section 507.235.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 54 and nays 7, as follows:

Those who voted in the affirmative were:

Adkins	Chmielewski	Hughes	Marty	Reichgott
Anderson	Cohen	Johnson, D.E.	McQuaid	Renneke
Beckman	Davis	Johnson, D.J.	Merriam	Schmitz
Belanger	DeCramer	Knaak	Moe, D.M.	Solon
Benson	Dicklich	Knutson	Moe, R.D.	Spear
Berg	Diessner	Laidig	Morse	Storm
Berglin	Frank	Langseth	Peterson, D.C.	Stumpf
Bernhagen	Frederickson, D.J.	Lantry	Piper	Taylor
Bertram	Frederickson, D.R.	Larson	Pogemiller	Vickerman
Brandl	Freeman	Lessard	Purfeerst	Wegscheid
Brataas	Gustafson	Luther	Ramstad	

Those who voted in the negative were:

Dahl	Jude	Pehler	Peterson, R.W.	Samuelson
Decker	Metzen			

So the bill passed and its title was agreed to.

H.F. No. 2018: A bill for an act relating to agriculture; clarifying and imposing penalties for violations related to diseased animals under the jurisdiction of the board of animal health; authorizing inspection upon notice; authorizing enforcement of violations; authorizing civil judicial enforcement actions; authorizing administrative remedies for violations; imposing civil and criminal penalties; amending Minnesota Statutes 1986, sections 35.245, subdivision 5; 35.80; 35.82, subdivision 2; and 35.830; Minnesota Statutes 1987 Supplement, section 35.68; proposing coding for new law in Minnesota Statutes, chapter 35; repealing Minnesota Statutes 1986, sections 35.069; 35.15, subdivision 2; 35.70; 35.71, subdivision 8; and 35.72, subdivision 6.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	McQuaid	Ramstad
Anderson	Davis	Johnson, D.J.	Merriam	Reichgott
Beckman	Decker	Jude	Metzen	Renneke
Belanger	DeCramer	Knaak	Moe, D.M.	Samuelson
Benson	Dicklich	Knutson	Moe, R.D.	Schmitz
Berg	Diessner	Kroening	Morse	Solon
Berglin	Frank	Laidig	Olson	Spear
Bernhagen	Frederick	Langseth	Pehler	Storm
Bertram	Frederickson, D.J.	Lantry	Peterson, D.C.	Stumpf
Brandl	Frederickson, D.R.	Larson	Peterson, R.W.	Taylor
Brataas	Freeman	Lessard	Piper	Vickerman
Chmielewski	Gustafson	Luther	Pogemiller	Wegscheid
Cohen	Hughes	Marty	Purfeerst	

So the bill passed and its title was agreed to.

H.F. No. 2059: A bill for an act relating to crime; children; clarifying the defenses to a charge of deprivation of parental rights; requiring defendant to prove elements of defenses; amending Minnesota Statutes 1987 Supplement, section 609.26, subdivision 2.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	Merriam	Reichgott
Anderson	Davis	Johnson, D.J.	Metzen	Renneke
Beckman	Decker	Jude	Moe, D.M.	Samuelson
Belanger	DeCramer	Knaak	Moe, R.D.	Schmitz
Benson	Dicklich	Kroening	Morse	Solon
Berg	Diessner	Laidig	Olson	Spear
Berglin	Frank	Langseth	Pehler	Storm
Bernhagen	Frederick	Lantry	Peterson, D.C.	Stumpf
Bertram	Frederickson, D.J.	Larson	Peterson, R.W.	Taylor
Brandl	Frederickson, D.R.	Lessard	Piper	Vickerman
Brataas	Freeman	Luther	Pogemiller	Wegscheid
Chmielewski	Gustafson	Marty	Purfeerst	
Cohen	Hughes	McQuaid	Ramstad	

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate proceeded to the Order of Business of Introduction and First Reading of Senate Bills.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bill was read the first time.

Mr. Merriam, for the Committee on Finance, introduced—

S.F. No. 2568: A bill for an act relating to the organization and operation of state government; appropriating money for human services and health and other purposes with certain conditions; amending Minnesota Statutes 1986, sections 62E.04, by adding subdivisions; 144.125; 144.50, by adding a subdivision; 144A.04, by adding a subdivision; 144A.08, by adding a subdivision; 145.43, subdivisions 1 and 1a; 145.853, subdivision 2; 245.814, subdivisions 1, 2, and 3; 245.83; 245.84, subdivision 1; 246.023, subdivision 1; 252.291, subdivisions 1 and 2; 256.73, subdivisions 2, 6, and

by adding subdivisions; 256.76, subdivision 1; 256B.08; 256B.092, subdivisions 5 and 7; 256B.14, subdivision 2; 256B.431, by adding subdivisions; 256B.50, subdivision 1, and by adding subdivisions; 256B.69, subdivisions 3 and 4; 256D.02, subdivision 7, and by adding a subdivision; 256D.06, by adding a subdivision; 256D.07; 256D.35, by adding a subdivision; 256D.37, subdivision 2, and by adding subdivisions; 256E.12, subdivisions 1 and 2; 268.86, by adding a subdivision; 268.91, subdivision 7; 268.911, subdivision 3; 357.021, subdivision 2a; 517.08, subdivision 1c; and 609.72, subdivision 1; Minnesota Statutes 1987 Supplement, sections 16B.08, subdivision 7; 62A.152, subdivision 2; 62D.102; 144A.071, subdivision 3; 144A.073, subdivisions 1 and 7; 145.43, subdivision 4; 245.462, subdivisions 3, 4, 6, 17, 18, 19, 20, 21, 23, and 25; 245.465; 245.466, subdivisions 1, 2, and 5; 245.467, by adding subdivisions; 245.469, subdivision 2; 245.471, subdivisions 2 and 3; 245.472, subdivision 2; 245.475, subdivisions 1 and 2; 245.476, subdivision 1; 245.477; 245.478, subdivisions 1, 2, and 9; 245.479; 245.482, subdivision 2; 245.696, subdivision 2; 245.697, subdivision 2, and by adding a subdivision; 252.291, subdivision 3; 256.01, subdivision 4; 256.015, subdivision 2; 256.936; 256.969, subdivision 3; 256B.02, subdivision 8; 256B.031, subdivision 5; 256B.042, subdivision 2; 256B.06, subdivisions 1 and 4; 256B.091, subdivision 4; 256B.35, subdivision 1; 256B.431, subdivisions 3 and 4; 256B.50, subdivision 2; 256B.501, subdivision 1; 256D.01, subdivision 1a; 256D.03, subdivision 3; 256D.06, subdivisions 1 and 1b; 256D.37, subdivision 1; 256E.12, subdivision 3; and 268.91, subdivisions 3 and 3b; Laws 1987, chapter 403, article 2, section 34; and article 4, section 13; proposing coding for new law in Minnesota Statutes, chapters 62A; 62C; 62D; 144; 153A; 179A; 198; 245; 252; and 256B; repealing Minnesota Statutes 1986, sections 153A.01; 153A.02; 153A.03; 153A.04; 153A.05; 153A.06; 153A.07; 153A.08; 153A.09; 153A.10; 153A.11; 153A.12; 246.023, subdivisions 2, 3, 4, and 5; and 268.061.

Under the rules of the Senate, laid over one day.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the General Orders Calendar. The motion prevailed.

GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Hughes in the chair.

After some time spent therein, the committee arose, and Mr. Hughes reported that the committee had considered the following:

S.F. Nos. 1823, 2079, 1987, H.F. Nos. 2049, 2254, 2358, 2559, 2402, 1585, 1971, 1659, 2092, 2629, 2489, 2446, 2508, 1189, 1913, 521, 1710 and 1277, which the committee recommends to pass.

S.F. No. 2114, which the committee recommends to pass with the following amendment offered by Mr. Luther:

Page 1, line 9, after "*that*" insert "*is not defined as a dangerous weapon, and that*"

Page 1, line 10, delete "*or is otherwise recognizable as*" and insert

"and reasonably appears to be"

Page 1, line 21, delete *"in type"*

Page 1, line 22, delete *"measures"* and insert *"measure"* and delete *"and centers"* and insert *"centered"*

Page 1, line 24, delete *"type"* and insert *"letters"* and delete *"measures"* and insert *"measure"*

Page 1, line 25, delete *"red"* and delete *"against a white"* and insert *"that strongly contrasts with the"*

Page 2, line 3, delete *"specifically"*

Page 2, after line 3, insert:

"Subd. 4. [ENFORCEMENT.] This section may be enforced by the attorney general under section 8.31, but a court may not impose a civil penalty of more than \$500 for a violation of this section."

The motion prevailed. So the amendment was adopted.

S.F. No. 1561, which the committee recommends to pass with the following amendment offered by Mr. Stumpf:

Page 1, after line 22, insert:

"Sec. 2. [97C.347] [LANDING NETS.]

Subdivision 1. [USE AND POSSESSION.] A person may use and possess a landing net to net a fish taken by angling.

Subd. 2. [ELECTRIC LANDING NETS.] A person may net fish taken by angling with a battery operated landing net that discharges an electric current if the net is designed to temporarily immobilize the fish so that it can be safely released.

Sec. 3. [97C.403] [RAINY RIVER WALLEYE RESTRICTIONS.]

Subdivision 1. [LIMIT.] (a) The possession limit for walleyes taken from the Rainy River is six per day.

(b) Only one walleye over 19-1/2 inches in length may be included in the limit taken from the Rainy River each day.

Subd. 2. [OPEN SEASON.] The open season for walleye in the Rainy River is from the third Saturday in May until April 14.

Sec. 4. [1988-1989 SPRING WALLEYE SEASON.]

From the effective date of this section until April 14, 1988, and from March 1 until April 14, 1989, a person may take walleyes from the Rainy River but the walleyes taken must be released after being caught.

Sec. 5. [REPEALER.]

Minnesota Statutes 1987 Supplement, section 97C.402, is repealed."

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 1731, which the committee recommends to pass with the following amendment offered by Mr. Gustafson:

Amend H.F. No. 1731, as amended pursuant to Rule 49, adopted by the

Senate March 17, 1988, as follows:

(The text of the amended House File is identical to S.F. No. 2033.)

Page 1, line 11, delete "or" and insert "and"

The motion prevailed. So the amendment was adopted.

H.F. No. 1897, which the committee recommends to pass with the following amendments offered by Mr. Spear:

Amend H.F. No. 1897, as amended pursuant to Rule 49, adopted by the Senate March 23, 1988, as follows:

(The text of the amended House File is identical to S.F. No. 1802.)

Page 3, after line 17, insert:

"Sec. 6. Minnesota Statutes 1986, section 60C.05, subdivision 2, is amended to read:

Subd. 2. The association may:

(a) Employ or retain the persons necessary to handle claims and perform other duties of the association.

(b) Borrow funds necessary to effect the purposes of Laws 1971, chapter 145 in accord with the plan of operation.

(c) Sue or be sued.

(d) Negotiate and become a party to the contracts necessary to carry out the purpose of Laws 1971, chapter 145.

(e) Perform other acts necessary or proper to effectuate the purpose of Laws 1971, chapter 145.

(f) *Subject to section 7, refund to the member insurers in proportion to the contribution of each member insurer to that account the amount by which the assets of the account exceed the liabilities, if at the end of the calendar year the board of directors finds that the assets of the association in any account exceed the liabilities of that account as estimated by the board of directors for the coming year.*

(g) Request the court to disapprove or modify any claim for which approval is sought under the provisions of section 60B.45, subdivision 2 or 60B.58, subdivision 2.

Sec. 7. Minnesota Statutes 1986, section 60C.06, is amended by adding a subdivision to read:

Subd. 6. [REFUNDS RETAINED.] All money which the association receives from the estate of an insolvent insurer or an insurer that is the subject of delinquency proceedings shall not be refunded to members but must be credited to the account from which the claims were paid that resulted in the payment from the estate. If that cannot be determined, the money shall be credited to the account which the board determines is most likely to have been the source of the paid claims. The money shall be used to pay future claims."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Spear then moved to amend H.F. No. 1897, as amended pursuant to Rule 49, adopted by the Senate March 23, 1988, as follows:

(The text of the amended House File is identical to S.F. No. 1802.)

Page 8, after line 8, insert:

"Sec. 11. [EFFECTIVE DATE CLARIFICATION.]

Laws 1987, chapter 337, sections 27, 28, 29, and 30, effective August 1, 1987, apply to delinquency proceedings commencing on or after August 1, 1987."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 2020, which the committee recommends to pass, subject to the following motion:

Mr. Marty moved that the amendment made to H.F. No. 2020 by the Committee on Rules and Administration in the report adopted March 10, 1988, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

H.F. No. 1844, which the committee recommends to pass with the following amendment offered by Mr. Morse:

Page 2, after line 26, insert:

"Sec 2. [STUDY TASK FORCE.]

The Supreme Court, in consultation with the association of Minnesota counties, shall appoint a task force to study the relationship between the district court and the counties of the state and to make recommendations regarding the control and financing of the district courts. The task force shall report its findings and recommendations to the legislature by February 1, 1989.

Sec. 3. [REPEALER.]

Minnesota Statutes 1986, section 485.018, subdivision 7, is repealed effective August 15, 1989."

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 2340, which the committee recommends to pass with the following amendment offered by Mr. Spear:

Amend H.F. No. 2340, as amended pursuant to Rule 49, adopted by the Senate March 21, 1988, as follows:

(The text of the amended House File is identical to S.F. No. 2124.)

Page 2, line 30, delete "1989" and insert "1990"

The motion prevailed. So the amendment was adopted.

H.F. No. 2551, which the committee recommends to pass with the following amendment offered by Mr. Johnson, D.J.:

Page 1, delete lines 15 to 19 and insert:

"The property to be sold is in St. Louis county described as tax parcel 465-20-1530 consisting of:

The part of the south half of the northeast quarter, Section 12, Township 63 North, Range 12 West that lies southeasterly of Picketts Lake."

The motion prevailed. So the amendment was adopted.

H.F. No. 2252, which the committee recommends to pass, subject to the following motion:

Mr. Luther moved that the amendment made to H.F. No. 2252 by the Committee on Rules and Administration in the report adopted March 25, 1988, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

H.F. No. 1923, which the committee recommends to pass with the following amendment offered by Mr. Spear:

Amend H.F. No. 1923, as amended pursuant to Rule 49, adopted by the Senate March 21, 1988, as follows:

(The text of the amended House File is identical to S.F. No. 1668.)

Page 1, line 12, after the period, insert *"If the property is merchandise stolen from a retail store, its value is the retail price of the merchandise in the store when the theft occurred."*

The motion prevailed. So the amendment was adopted.

S.F. No. 2347, which the committee recommends to pass with the following amendment offered by Mr. Solon:

Page 2, line 21, delete "An" and insert "an"

Page 2, line 24, delete "Minnesota" and insert "this state"

Page 3, lines 11, 15, 20, 23, and 24, delete "Minnesota" and insert "this state"

The motion prevailed. So the amendment was adopted.

H.F. No. 2422, which the committee recommends to pass, subject to the following motions:

Mr. Cohen moved that the amendment made to H.F. No. 2422 by the Committee on Rules and Administration in the report adopted March 24, 1988, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

Mr. Frederickson, D.R. moved to amend H.F. No. 2422 as follows:

Page 2, line 26, delete "exemptions" and insert "exemption" and delete "section" and insert "subdivision"

Page 2, after line 28, insert:

"Sec. 3. Minnesota Statutes 1986, section 550.37, subdivision 18, is amended to read:

Subd. 18. The exemptions provided for in subdivisions 3 to 15 extend only to debtors who are natural persons *except as provided in subdivision 5 for partnerships.*"

Page 3, line 4, delete "Section 3" and insert "This act"

Renumber the sections in sequence and correct the internal references
Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 2265, which the committee recommends to pass with the following amendments offered by Messrs. Berg; Frederickson, D.R.; Johnson, D.E.; Ms. Berglin, Messrs. Lessard, Frederick and Bertram:

Mr. Berg moved to amend H.F. No. 2265, the unofficial engrossment, as follows:

Pages 6 and 7, delete section 18

Renumber the sections in sequence

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Frederickson, D.R. moved to amend H.F. No. 2265, the unofficial engrossment, as follows:

Page 3, after line 19, insert:

"Sec. 7. Minnesota Statutes 1986, section 97B.425, is amended to read:
97B.425 [BAITING BEARS.]

A person placing bait to take bear must display a tag at each site where bait is placed and register the sites. The commissioner shall prescribe the method of tagging and registering the sites. ~~A person may not use solid waste containing bottles, cans, plastic, paper, metal, or other materials that are not readily biodegradable as a bait to attract bear. To attract bear a person may not use a bait with:~~

- (1) meat from mammals, if the meat contains bones;
- (2) bones of mammals;
- (3) solid waste containing bottles, cans, plastic, paper, or metal;
- (4) materials that are not readily biodegradable; or
- (5) any part of a swine."

Renumber the sections in sequence and correct the internal references
Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Johnson, D.E. moved to amend H.F. No. 2265, the unofficial engrossment, as follows:

Page 2, after line 14, insert:

"Sec. 3. Minnesota Statutes 1986, section 97A.445, subdivision 2, is amended to read:

Subd. 2. [ANGLING; INSTITUTIONAL RESIDENTS.] A license is not required to take fish by angling with the written consent of the superintendent or chief executive of the institution for the following persons:

- (1) a resident of a state hospital;
- (2) a patient of a United States Veterans Administration hospital; and

- (3) an inmate of a state correctional facility; and
 (4) a resident of a nursing home.”

Renumber the sections in sequence and correct the internal references
 Amend the title accordingly

Ms. Berglin moved to amend the Johnson, D.E. amendment to H.F. No. 2265, the unofficial engrossment, as follows:

Page 1, line 14, after “home” insert “or licensed group home”

The motion prevailed. So the amendment to the amendment was adopted.

The question recurred on the Johnson, D.E. amendment, as amended.
 The motion prevailed. So the amendment, as amended, was adopted.

Mr. Lessard moved to amend H.F. No. 2265, the unofficial engrossment, as follows:

Page 5, after line 17, insert:

“Sec. 14. [97C.403] [RAINY RIVER WALLEYE RESTRICTIONS.]

Subdivision 1. [LIMIT.] (a) The possession limit for walleyes taken from the Rainy River is six per day.

(b) Only one walleye over 19-1/2 inches in length may be included in the limit taken from the Rainy River each day.

Subd. 2. [OPEN SEASON.] The open season for walleye in the Rainy River is from the third Saturday in May until April 14.”

Page 7, after line 1, insert:

“Sec. 20. [1988-1989 SPRING WALLEYE SEASON.]

From the effective date of this section until April 14, 1988, and from March 1 until April 14, 1989, a person may take walleyes from the Rainy River but the walleyes possessed for a limit may not exceed 19-1/2 inches in length.”

Renumber the sections in sequence and correct the internal references
 Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Frederick moved to amend H.F. No. 2265, the unofficial engrossment, as follows:

Page 2, line 27, after “may” insert “without permission”

Page 2, lines 27 and 28, delete “without permission”

The motion prevailed. So the amendment was adopted.

Mr. Berg moved to amend H.F. No. 2265, the unofficial engrossment, as follows:

Page 2, after line 7, insert:

“Sec. 2. Minnesota Statutes 1986, section 97A.121, subdivision 2, is amended to read:

Subd. 2. [SEASON.] The open season for hunting in private shooting

preserves is from ~~September 1 through March 31~~ *continuous*. The commissioner may restrict the *open* season after receiving a complaint, holding a public hearing, and finding that the population of wild game birds is in danger by hunting in the preserve.

Sec. 3. Minnesota Statutes 1986, section 97A.121, is amended by adding a subdivision to read:

Subd. 4a. [PHEASANTS.] A private shooting preserve licensed to release pheasants must release at least 500 pheasants on the licensed shooting preserve area during the private shooting preserve hunting season. At least 20 pheasants must be released within 14 days before a day that pheasants are hunted. The number of pheasants harvested may not exceed 95 percent of the number of pheasants released during the private shooting preserve hunting season."

Page 3, after line 34, insert:

"Sec. 10. Minnesota Statutes 1986, section 97B.715, subdivision 1, is amended to read:

Subdivision 1. [STAMP REQUIRED.] (a) Except as provided in paragraph (b), a person required to possess a small game license may not hunt pheasants without a pheasant stamp in possession.

(b) The following persons are exempt from this subdivision:

(1) residents under age 18 or over age 65; and

(2) persons hunting on licensed private shooting preserves in ~~Norman, Becker, Wadena, Cass, Crow Wing, Aitkin, or Carlton county, and locations north of the northern boundaries of these counties."~~

Page 4, after line 1, insert:

"Sec. 12. Minnesota Statutes 1986, section 97B.731, subdivision 2, is amended to read:

Subd. 2. [TAKING MOURNING DOVES *GENERALLY* PROHIBITED.] *Except as provided in section 13, mourning doves may not be taken in the state.*

Sec. 13. Minnesota Statutes 1986, section 97B.731, is amended by adding a subdivision to read:

Subd. 3. [EXPERIMENTAL MOURNING DOVE SEASON.] In 1988 and 1989 the commissioner may prescribe an open season and limits for mourning doves only within the borders of shooting preserves licensed with this state."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Mrs. Lantry requested division of the amendment, as follows:

First portion:

Page 2, after line 7, insert:

"Sec. 2. Minnesota Statutes 1986, section 97A.121, subdivision 2, is amended to read:

Subd. 2. [SEASON.] The *open* season for hunting in private shooting

preserves is from September 1 through March 31 continuous. The commissioner may restrict the open season after receiving a complaint, holding a public hearing, and finding that the population of wild game birds is in danger by hunting in the preserve.

Sec. 3. Minnesota Statutes 1986, section 97A.121, is amended by adding a subdivision to read:

Subd. 4a. [PHEASANTS.] A private shooting preserve licensed to release pheasants must release at least 500 pheasants on the licensed shooting preserve area during the private shooting preserve hunting season. At least 20 pheasants must be released within 14 days before a day that pheasants are hunted. The number of pheasants harvested may not exceed 95 percent of the number of pheasants released during the private shooting preserve hunting season."

Page 3, after line 34, insert:

"Sec. 10. Minnesota Statutes 1986, section 97B.715, subdivision 1, is amended to read:

Subdivision 1. [STAMP REQUIRED.] (a) Except as provided in paragraph (b), a person required to possess a small game license may not hunt pheasants without a pheasant stamp in possession.

(b) The following persons are exempt from this subdivision:

(1) residents under age 18 or over age 65; and

(2) persons hunting on licensed private shooting preserves in Norman, Becker, Wadena, Cass, Crow Wing, Aitkin, or Carlton county, and locations north of the northern boundaries of these counties."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Second portion:

Page 4, after line 1, insert:

"Sec. 12. Minnesota Statutes 1986, section 97B.731, subdivision 2, is amended to read:

Subd. 2. [TAKING MOURNING DOVES GENERALLY PROHIBITED.] *Except as provided in section 13, mourning doves may not be taken in the state.*

Sec. 13. Minnesota Statutes 1986, section 97B.731, is amended by adding a subdivision to read:

Subd. 3. [EXPERIMENTAL MOURNING DOVE SEASON.] In 1988 and 1989 the commissioner may prescribe an open season and limits for mourning doves only within the borders of shooting preserves licensed with this state."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the first portion of the Berg amendment. The motion prevailed. So the first portion of the amendment was adopted.

The question was taken on the adoption of the second portion of the

Berg amendment.

The roll was called, and there were yeas 15 and nays 48, as follows:

Those who voted in the affirmative were:

Anderson	Bernhagen	Frederickson, D.R.	Merriam	Peterson, R.W.
Benson	Bertram	Gustafson	Metzen	Renneke
Berg	DeCramer	Lessard	Morse	Stumpf

Those who voted in the negative were:

Adkins	Dicklich	Knaak	Moe, D.M.	Schmitz
Beckman	Diessner	Knutsen	Moe, R.D.	Solon
Belanger	Frank	Kroening	Novak	Spear
Berglin	Frederick	Laidig	Olson	Storm
Brandl	Frederickson, D.J.	Langseth	Peterson, D.C.	Taylor
Brataas	Freeman	Lantry	Piper	Vickerman
Cohen	Hughes	Larson	Pogemiller	Waldorf
Dahl	Johnson, D.E.	Luther	Purfeerst	Wegscheid
Davis	Johnson, D.J.	Marty	Ramstad	
Decker	Jude	McQuaid	Samuelson	

The motion did not prevail. So the second portion of the amendment was not adopted.

Mr. Bertram moved to amend H.F. No. 2265, the unofficial engrossment, as follows:

Page 2, line 28, before the period, insert "*after making every reasonable attempt to contact the landowner*"

The motion prevailed. So the amendment was adopted.

H.F. No. 1469, which the committee recommends to pass with the following amendment offered by Mr. Lessard:

Amend H.F. No. 1469, as amended pursuant to Rule 49, adopted by the Senate March 25, 1988, as follows:

(The text of the amended House File is identical to S.F. No. 1336.)

Page 3, delete lines 20 to 25 and insert:

"*Subd. 5a. [FIREWOOD LOADS.] (a) No vehicle that has a cargo*"

Page 3, line 30, after the period, insert "*No person shall transport firewood in any vehicle in an unsafe manner. Violation of this subdivision is a petty misdemeanor except that a peace officer may issue a citation that amounts to a warning (1) for a first offense, and (2) if, in the judgment of the citing peace officer at the site, the load of firewood is made safe for transport.*"

(b) The commissioner of public safety shall adopt rules defining and delineating standards for the safe transport of firewood."

Mr. Benson requested division of the amendment as follows:

First portion:

Page 3, delete lines 20 to 25 and insert:

"*Subd. 5a. [FIREWOOD LOADS.] No vehicle that has a cargo*"

Page 3, line 30, after the period, insert "*No person shall transport firewood in any vehicle in an unsafe manner. Violation of this subdivision is a petty misdemeanor except that a peace officer may issue a citation that amounts to a warning (1) for a first offense, and (2) if, in the judgment*"

of the citing peace officer at the site, the load of firewood is made safe for transport."

Second portion:

Page 3, after line 30, insert :

"The commissioner of public safety shall adopt rules defining and delineating standards for the safe transport of firewood."

The question was taken on the adoption of the first portion of the amendment. The motion prevailed. So the first portion of the amendment was adopted.

The question was taken on the adoption of the second portion of the amendment. The motion did not prevail. So the second portion of the amendment was not adopted.

On motion of Mr. Moe, R.D., the report of the Committee of the Whole, as kept by the Secretary, was adopted.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions; Mr. Moe, R.D. moved that the Senate revert to the Orders of Business of Reports of Committees, Second Reading of Senate Bills and Second Reading of House Bills. The motion prevailed.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of reports pertaining to appointments. The motion prevailed.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was referred

H.F. No. 2063: A bill for an act relating to housing; providing a definition; authorizing certain refinancing; providing for reservation of low-income housing credits; amending Minnesota Statutes 1986, sections 462A.03, by adding a subdivision; 462A.05, by adding a subdivision; and 462A.07, subdivisions 14 and 15; Minnesota Statutes 1987 Supplement, section 462A.222, subdivision 2.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 27, insert:

"Sec. 3. Minnesota Statutes 1987 Supplement, section 462A.05, subdivision 28, is amended to read:

Subd. 28. [GRANTS FOR HOUSING FOR LOW-INCOME PERSONS LIVING ALONE.] The agency may make grants for residential housing to be used by low-income persons living alone whose annual gross income does not exceed 150 percent of the poverty line as updated by the United States Office of Management and Budget. The grants may be made to cities, joint powers boards established by two or more cities, housing and redevelopment authorities created under sections 462.415 to 462.705, or nonprofit entities as defined by the agency, or for-profit entities to the

extent necessary to enable the recipient to qualify for low-income housing credits provided under section 42 of the Internal Revenue Code of 1986, as amended through December 31, 1987, provided that the agency determines that the credits will confer a benefit on the residential housing. The occupants of the residential housing must be offered a written lease that complies with section 325G.31, offers the occupants the option to renew, and prohibits eviction of an occupant without good cause. Grants under this subdivision must not exceed 50 percent of the development costs for the residential housing, and must not be made for any residential housing that requires the occupants to accept board as well as lodging. In making grants, the agency shall determine the circumstances, terms, and conditions under which all or part of the grant will be repaid and the appropriate security if repayment is required."

Page 5, after line 2, insert:

"Sec. 7. [469.0171] [HOUSING PLAN, PROGRAM, AND REVIEW.]

Prior to the issuance of bonds or obligations for a housing development project proposed by an authority under section 469.017, the authority shall prepare a plan meeting the requirements of section 462C.03, subdivision 1, paragraphs (a) to (d); obtain review of the plan in the manner provided in section 462C.04, subdivision 1; and prepare and submit for review a program as defined in section 462C.02, subdivision 3, in the manner provided in section 462C.04, subdivision 2, and section 462C.05, subdivision 5, for the making or purchasing of loans by cities."

Page 5, delete lines 4 and 5 and insert:

"Sections 1 to 6 are effective the day following final enactment. Section 7 is effective August 2, 1988."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "providing for grants for housing for low-income persons;"

Page 1, line 8, delete "section" and insert "sections 462A.05, subdivision 28; and" and before the period, insert "; proposing coding for new law in Minnesota Statutes, chapter 469"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was re-referred

S.F. No. 1968: A bill for an act relating to economic development; providing for the use of municipal resources for establishment of a local revolving loan fund; amending Minnesota Statutes 1987 Supplement, section 116N.08, subdivision 8.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 14, after "of" insert "providing the match to"

Page 1, line 15, delete "establishing" and insert "establish"

Page 1, line 19, delete "the" and insert "a" and after "if" insert "(1)"

Page 1, line 20, delete "*consistent with*" and insert "*authorized in*"

Page 1, line 22, before the period, insert "*and (2) the revenues are deposited in a loan fund that is separate from the loan fund in which general fund money is established*" and after the period, insert "*The local governmental unit may deposit up to \$50,000 of local public money in each of the local revolving funds that may be established under this subdivision.*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was referred

H.F. No. 1865: A bill for an act relating to the town of White Bear; authorizing the town of White Bear to establish an economic development authority; giving the town of White Bear the powers of a city with respect to the authority.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, after line 1, insert:

"Sec. 2. [TOWN OF WHITE BEAR; DEVELOPMENT DISTRICT.]

Subdivision 1. [DEVELOPMENT DISTRICT.] The town of White Bear may establish one or more economic development districts to facilitate development within the town and for such purpose may exercise all of the powers granted to a city under Minnesota Statutes, sections 469.124 to 469.134.

Subd. 2. [TAX INCREMENT FINANCING.] The town of White Bear and its governing body have all the powers and duties granted to or imposed on a city and the governing body of a city under Minnesota Statutes, sections 469.174 to 469.179, with respect to any development undertaken in a development district created pursuant to subdivision 1."

Page 2, line 4, delete "*section 1 is*" and insert "*sections 1 and 2 are*" and delete "*the*"

Page 2, line 5, delete "*day after final enactment*" and insert "*July 1, 1988*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after "*authority*" insert "*and economic development districts, and to exercise tax increment financing powers*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was referred

S.F. No. 1799: A bill for an act relating to taxation; exempting the University of Minnesota and state universities and colleges from the sales and use tax; amending Minnesota Statutes 1987 Supplement, section 297A.25, subdivision 11.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 4, delete "*the day after final enactment*" and insert "*June 30, 1988*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was referred

H.F. No. 2306: A bill for an act relating to bonds; authorizing the Minnesota public facilities authority to issue revenue bonds and make loans to or purchase the bonds of municipalities for wastewater treatment and water supply systems; amending Minnesota Statutes 1987 Supplement, sections 446A.04, by adding subdivisions; 446A.05, subdivision 1; and proposing coding for new law in Minnesota Statutes, chapter 446A.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was re-referred

H.F. No. 1224: A bill for an act relating to local government; permitting the establishment of a joint economic development authority in Cook county; authorizing a lodging tax in certain towns.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 2141: A bill for an act relating to natural resources; ratifying and affirming the settlement agreement arising from litigation concerning certain treaty related claims of Chippewa Indians; prescribing powers and duties of the commissioner of natural resources in relation to the settlement agreement; proposing coding for new law in Minnesota Statutes, chapter 97A.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, after line 19, insert:

"Sec. 2. [APPROPRIATION.]

\$5,050,000 is appropriated from the general fund to the commissioner of natural resources for fiscal year 1989 to carry out the agreement ratified in section 1."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, after the semicolon, insert "appropriating money;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 1783: A bill for an act relating to motor vehicles; requiring mandatory annual inspection of motor vehicle emission control equipment on vehicles registered in the metropolitan area; prescribing powers and duties of the pollution control agency and the department of public safety; imposing fees for inspection; prescribing penalties; requiring that gasoline sold in the metropolitan area for use in motor vehicles must contain oxygenated fuel; requiring the commissioners of agriculture, transportation, pollution control agency, and public service to report to the legislature on their study of oxygenated fuels; appropriating money; amending Minnesota Statutes 1986, section 296.16, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 116.

Reports the same back with the recommendation that the bill be amended as follows:

Page 5, line 28, after "vehicle" insert "*after inspection and*"

Page 5, line 36, delete "*covered by*" and insert "*for repairs made under*"

Page 7, line 23, after the period, insert "*The fee covers the first inspection and follow-up inspections as allowed by the rules of the agency.*"

Pages 7 and 8, delete sections 7 and 8

Page 8, delete line 30

Page 9, line 1, after the period, insert:

"Sec. 7. [REPAYMENT.]"

Page 9, line 8, delete "\$" and insert "\$218,000"

Page 9, line 10, after the period, insert "*\$10,000 is for fiscal year 1988 and \$208,000 is for fiscal year 1989.*"

Page 9, line 13, delete "" and insert "*four*"

Page 9, delete lines 17 to 19 and insert:

"*Sections 1 and 3 to 9 are effective the day following final enactment. Section 2 is effective January 1, 1991.*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, delete "requiring"

Page 1, delete lines 8 to 12

Page 1, line 13, delete everything after the semicolon

Page 1, line 14, delete everything before "proposing"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Davis from the Committee on Agriculture, to which was referred the following appointment as reported in the Journal for February 15, 1988:

BOARD OF ANIMAL HEALTH

Sharon Hurley

Reports the same back with the recommendation that the appointment be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Davis from the Committee on Agriculture, to which was referred the following appointment as reported in the Journal for February 9, 1988:

MINNESOTA RURAL FINANCE AUTHORITY

Paul A. Sobocinski

Reports the same back with the recommendation that the appointment be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Davis from the Committee on Agriculture, to which were referred the following appointments as reported in the Journal for February 26, 1987:

MINNESOTA RURAL FINANCE AUTHORITY

Andrew L. Walters

David G. Velde

Reports the same back with the recommendation that the appointments be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

SECOND READING OF SENATE BILLS

S.F. Nos. 1968, 1799, 2141 and 1783 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 2063, 1865, 2306 and 1224 were read the second time.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Samuelson moved that the name of Mrs. Lantry be added as a co-author to S.F. No. 1336. The motion prevailed.

Mr. Frederickson, D.J. moved that the name of Mr. Beckman be added as a co-author to S.F. No. 1939. The motion prevailed.

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate proceeded to the Order of Business of Introduction and First Reading of Senate Bills.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bill was read the first time.

Mr. Merriam, for the Committee on Finance, introduced—

S.F. No. 2569: A bill for an act relating to education; appropriating money to the higher education coordinating board, regents of the University of Minnesota, state university board, state board for community colleges, and state board of vocational technical education, with certain conditions; authorizing bonding for capital improvements; amending Minnesota Statutes 1986, sections 3.971, subdivision 1; 92.05; 136.31, by adding a subdivision; and 136.41, by adding subdivisions; 248.07, subdivisions 7 and 12; Minnesota Statutes 1987 Supplement, section 248.07, subdivision 8; Laws 1983, chapter 334, section 7, as amended; and Laws 1987, chapter 401, section 2, subdivision 6; proposing coding for new law in Minnesota Statutes, chapters 135A and 137; repealing Minnesota Statutes 1986, sections 136.26; and 136C.13, subdivision 3.

Under the rules of the Senate, laid over one day.

MOTIONS AND RESOLUTIONS - CONTINUED

SUSPENSION OF RULES

Mr. Moe, R.D. moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 1749 and that the rules of the Senate be so far suspended as to give H.F. No. 1749, now on General Orders, its third reading and place it on its final passage. The motion prevailed.

H.F. No. 1749: A bill for an act relating to transportation; increasing the tax on gasoline and special fuel to 20 cents per gallon; increasing the share of motor vehicle excise tax revenues dedicated to highways and transit to 35 percent; amending Minnesota Statutes 1986, section 296.02, subdivision 1b; and Minnesota Statutes 1987 Supplement, sections 296.025, subdivisions 2a and 2b; and 297B.09, subdivision 1.

Mr. Purfeerst moved to amend H.F. No. 1749, the unofficial engrossment, as follows:

Page 3, line 36, reinstate the stricken "of"

Page 4, line 1, before "annually" insert "\$30"

The motion prevailed. So the amendment was adopted.

Mr. Peterson, R. W. moved to amend H.F. No. 1749, the unofficial engrossment, as follows:

Pages 3 and 4, delete section 2 and insert:

"Sec. 2. Minnesota Statutes 1987 Supplement, section 168.27, subdivision 16, is amended to read:

Subd. 16. [~~DEALER PLATES, DISTINGUISHING NUMBERS.~~] (a) The registrar shall issue to every motor vehicle dealer, upon a request from the motor vehicle dealer licensed as provided in subdivision 2 or 3, one or more plates displaying a general distinguishing number upon the payment of \$10 to the registrar. In addition the dealer shall pay a motor vehicle

excise tax of \$15 annually for each dealer plate purchased as required by section 297B.035. The registrar shall deposit the tax in the state treasury and it shall be credited as provided in section 297B.09. A motor ~~vehicles~~ *vehicle*, new or used, owned by the motor vehicle dealer and bearing the ~~number plate, except vehicles leased to the user who is not an employee of the dealer during the term of the lease, held for hire, or customarily used by the dealer as a tow truck, service truck, or parts pickup truck dealer plates,~~ may be driven upon the streets and highways of this state as follows:

(1) ~~by the motor vehicle dealer, or any employee of the motor vehicle dealer or by any member of the immediate family of the dealer or employee for either private or business purposes;~~

(2) ~~only (1) for demonstration purposes by any prospective buyer thereof for a period of 48 hours or in the case of a truck, truck-tractor, or semitrailer, for a period of up to seven days; or~~

(3) ~~in a promotional event that lasts no longer than four days in which at least three motor vehicles are involved (2) to move the vehicle from place to place on the dealer's property; or (3) to test drive the motor vehicle to determine whether it is in proper working condition.~~

(b) A new or used motor vehicle sold by the motor vehicle dealer and bearing the motor vehicle dealer's number plate may be driven upon the public streets and highways for a period of 72 hours by the buyer for either of the following purposes: (1) Removing the vehicle from this state for registration in another state, or (2) permitting the buyer to use the motor vehicle before the buyer receives number plates pursuant to registration. Use of a motor vehicle by the buyer under the provisions of clause (2) of the preceding sentence before the buyer receives number plates pursuant to registration constitutes a use of the public streets or highways for the purpose of the time requirements for registration of motor vehicles."

Page 7, after line 14, insert:

"Sec. 8. Minnesota Statutes 1986, section 297B.035, subdivision 1, is amended to read:

Subdivision 1. Except as provided in this section, motor vehicles purchased for resale in the ordinary course of business ~~or used~~ by any motor vehicle dealer, as defined in section 168.011, subdivision 21, ~~which that~~ bear dealer plates as authorized by section 168.27, subdivision 16, ~~shall be~~ *are* exempt from the provisions of this chapter."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Mr. Wegscheid questioned whether the amendment was germane.

The President ruled that the amendment was germane.

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 18 and nays 47, as follows:

Those who voted in the affirmative were:

Berglin	Langseth	Moe, D.M.	Peterson, D.C.	Spear
Chmielewski	Luther	Moe, R.D.	Peterson, R.W.	Taylor
Freeman	Marty	Morse	Piper	
Hughes	Merriam	Pehler	Pogemiller	

Those who voted in the negative were:

Adkins	Cohen	Frederickson, D.R.	Lessard	Schmitz
Anderson	Dahl	Gustafson	McQuaid	Solon
Beckman	Davis	Johnson, D.E.	Metzen	Storm
Belanger	Decker	Johnson, D.J.	Novak	Stumpf
Benson	DeCramer	Jude	Olson	Vickerman
Berg	Dicklich	Knaak	Purfeerst	Waldorf
Bernhagen	Diessner	Kroening	Ramstad	Wegscheid
Bertram	Frank	Laidig	Reichgott	
Brandl	Frederick	Lantry	Renneke	
Brataas	Frederickson, D.J.	Larson	Samuelson	

The motion did not prevail. So the amendment was not adopted.

Mr. Purfeerst moved to amend H.F. No. 1749, the unofficial engrossment, as follows:

Page 7, after line 22, insert:

"Sec. 9. [TOLL ROADS.]

The commissioner of transportation shall cooperate with officials of local governments and the federal government to evaluate the potential of constructing toll roads in this state. The commissioner shall determine the extent to which toll roads would relieve highway congestion, speed up the construction of needed highways, and connect important market segments.

Sec. 10. [JOINT TOLL ROAD AUTHORITY.]

Two or more local government units may enter into a joint powers agreement under Minnesota Statutes, section 471.59, to contract for the evaluation of the potential for constructing a toll road within the boundaries of the local government units. For purposes of this section, a local government unit is a county, statutory or home rule charter city, or town."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 23 and nays 42, as follows:

Those who voted in the affirmative were:

Adkins	Chmielewski	Frederickson, D.R.	Lantry	Schmitz
Beckman	Davis	Johnson, D.J.	Metzen	Vickerman
Belanger	DeCramer	Knaak	Moe, R. D.	Wegscheid
Benson	Frederick	Knutson	Purfeerst	
Bertram	Frederickson, D.J.	Langseth	Samuelson	

Those who voted in the negative were:

Anderson	Diessner	Larson	Olson	Solon
Berglin	Frank	Lessard	Pehler	Spear
Bernhagen	Freeman	Luther	Peterson, D.C.	Storm
Brandl	Gustafson	Marty	Peterson, R. W.	Stumpf
Brataas	Hughes	McQuaid	Piper	Taylor
Cohen	Johnson, D.E.	Merriam	Pogemiller	Waldorf
Dahl	Jude	Moe, D.M.	Ramstad	
Decker	Kroening	Morse	Reichgott	
Dicklich	Laidig	Novak	Renneke	

The motion did not prevail. So the amendment was not adopted.

Mr. Luther moved to amend H.F. No. 1749, the unofficial engrossment, as follows:

Page 7, after line 22, insert:

“Sec. 9. [TRANSPORTATION STUDY.]

Subdivision 1. [STUDY.] The chair of the legislative committee on planning and fiscal policy may appoint a select committee to conduct a critical analysis and submit to the committee and the legislature an interim report by March 1, 1989, and a final report by January 1, 1990, on the following topics:

(a) [REQUIRING COST-BENEFIT RELATIONSHIP] The select committee shall establish a set of evaluation measures for state transportation expenditures that would tie transportation costs directly to the benefits gained.

(b) [COST-EFFECTIVE TRANSIT.] The select committee shall develop policies to ensure that the most cost-effective transit alternatives are considered to maximize the investment in transit throughout the state, with consideration of land development policies, highway investments, parking policies, and agency relationships.

(c) [EVALUATING HIGHWAY STANDARDS.] The select committee shall establish a set of criteria for evaluating the current bid-letting process and highway standards and design, addressing issues of safety, traffic volumes, maintenance standards, and social impact.

(d) [INVESTMENT PRIORITIES.] The select committee shall review current policies for setting transportation investment priorities, considering the impact of biennial appropriations versus long-term funding mechanisms.

(e) [COST-SAVING MEASURES AND STAFFING.] The select committee shall recommend potential cost-saving measures and shall review the staffing level of the department of transportation to determine if reductions may be made consistent with future needs and transportation investment levels.

(f) [LAND USE CONTROLS.] The select committee shall review the need for development of a state transportation policy that addresses land use control and the impact of development on transportation resources.

Subd. 2. [CONSULTANTS AND LEGISLATIVE AUDITOR.] The select committee may contract with consultants to carry out research, writing, statistical analysis, and other functions designated by the select committee. The select committee may obtain the assistance of the legislative auditor in carrying out its duties. The commissioners of transportation, administration, and state planning shall all fully cooperate with the select committee in conducting its studies.

Subd. 3. [APPROPRIATION.] \$150,000 is appropriated from the highway user tax distribution fund to the legislative committee on planning and fiscal policy to conduct the studies and prepare the reports required by this section, to be available until June 30, 1990.”

Page 8, line 1, after the period, insert “Section 9 is effective the day following final enactment.”

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 9, after the first semicolon, insert “requiring a study of the

state transportation system;"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 43 and nays 21, as follows:

Those who voted in the affirmative were:

Belanger	Freeman	Langseth	Novak	Reichgott
Berglin	Gustafson	Lantry	Olson	Schmitz
Brandl	Hughes	Luther	Pehler	Solon
Cohen	Johnson, D.E.	Marty	Peterson, D.C.	Spear
Dahl	Johnson, D.J.	McQuaid	Peterson, R.W.	Storm
Davis	Jude	Merriam	Piper	Waldorf
DeCramer	Knaak	Metzen	Pogemiller	Wegscheid
Diessner	Kroening	Moe, D.M.	Purfeerst	
Frank	Laidig	Moe, R.D.	Ramstad	

Those who voted in the negative were:

Adkins	Bertram	Frederick	Lessard	Vickerman
Anderson	Brataas	Frederickson, D.J.	Renneke	
Beckman	Chmielewski	Frederickson, D.R.	Samuelson	
Benson	Decker	Knutson	Stumpf	
Bernhagen	Dicklich	Larson	Taylor	

The motion prevailed. So the amendment was adopted.

H.F. No. 1749 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 32 and nays 33, as follows:

Those who voted in the affirmative were:

Berglin	Dicklich	Luther	Novak	Schmitz
Brandl	Diessner	Marty	Peterson, D.C.	Solon
Chmielewski	Freeman	Merriam	Peterson, R.W.	Spear
Cohen	Hughes	Metzen	Piper	Stumpf
Dahl	Johnson, D.J.	Moe, D.M.	Pogemiller	
Davis	Langseth	Moe, R.D.	Purfeerst	
DeCramer	Lantry	Morse	Reichgott	

Those who voted in the negative were:

Adkins	Brataas	Johnson, D.E.	Lessard	Storm
Anderson	Decker	Jude	McQuaid	Taylor
Beckman	Frank	Knaak	Olson	Vickerman
Belanger	Frederick	Knutson	Pehler	Waldorf
Benson	Frederickson, D.J.	Kroening	Ramstad	Wegscheid
Bernhagen	Frederickson, D.R.	Laidig	Renneke	
Bertram	Gustafson	Larson	Samuelson	

So the bill, as amended, failed to pass.

MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 2565 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 2565: A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and other agencies with certain conditions; amending Minnesota

Statutes 1986, section 84B.11, subdivision 2.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Merriam	Ramstad
Anderson	Decker	Jude	Metzen	Reichgott
Beckman	DeCramer	Knaak	Moe, D.M.	Renneke
Belanger	Dicklich	Knutson	Moe, R.D.	Samuelson
Benson	Diessner	Kroening	Morse	Schmitz
Berglin	Frank	Laidig	Novak	Spear
Bernhagen	Frederick	Langseth	Olson	Storm
Bertram	Frederickson, D.J.	Lantry	Pehler	Stumpf
Brandl	Frederickson, D.R.	Larson	Peterson, D.C.	Taylor
Brataas	Freeman	Lessard	Peterson, R.W.	Vickerman
Chmielewski	Gustafson	Luther	Piper	Waldorf
Cohen	Hughes	Marty	Pogemiller	Wegscheid
Dahl	Johnson, D.E.	McQuaid	Purfeerst	

So the bill passed and its title was agreed to.

MEMBERS EXCUSED

Mr. Mehrkens was excused from the Session of today. Mr. Berg was excused from the Session of today at 5:30 p.m. Mr. Novak was excused from the Session of today from 12:00 noon to 1:20 p.m. Ms. Reichgott was excused from the Session of today from 3:00 to 3:45 p.m. Mr. Pehler was excused from the Session of today from 3:30 to 4:20 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:00 noon, Tuesday, March 29, 1988. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

SEVENTY-EIGHTH DAY

St. Paul, Minnesota, Tuesday, March 29, 1988

The Senate met at 12:00 noon and was called to order by the President.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Fred Stroebel.

The roll was called, and the following Senators answered to their names:

Adkins	Davis	Jude	Metzen	Renneke
Anderson	Decker	Knaak	Moe, D.M.	Samuelson
Beckman	DeCramer	Knutson	Moe, R.D.	Schmitz
Belanger	Dicklich	Kroening	Morse	Solon
Benson	Diessner	Laidig	Novak	Spear
Berg	Frank	Langseth	Olson	Storm
Berglin	Frederick	Lantry	Pehler	Stumpf
Bernhagen	Frederickson, D.J.	Larson	Peterson, D.C.	Taylor
Bertram	Frederickson, D.R.	Lessard	Peterson, R.W.	Vickerman
Brandl	Freeman	Luther	Piper	Waldorf
Brataas	Gustafson	Marty	Pogemiller	Wegscheid
Chmielewski	Hughes	McQuaid	Purfeerst	
Cohen	Johnson, D.E.	Mehrkens	Ramstad	
Dahl	Johnson, D.J.	Merriam	Reichgott	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 1861: A bill for an act relating to health maintenance organizations; insurance; requiring replacement coverage in the event an HMO cancels coverage; increasing state comprehensive health plan liabilities in the event a member terminates coverage; increasing health maintenance organization notice requirements and annual reporting requirements; amending Minnesota Statutes 1986, sections 62D.07; 62D.08, subdivision 5; 62D.09; 62D.101; 62D.11; 62D.12, subdivision 2, and by adding a subdivision; 62D.17, subdivision 1; 62E.11, by adding subdivisions; 62E.14, subdivisions 1, 3, and by adding a subdivision; 62E.16; Minnesota Statutes

1987 Supplement, sections 62A.17, subdivision 6; and 62D.08, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 62D; repealing Laws 1984, chapter 464, sections 29 and 40.

Senate File No. 1861 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 28, 1988

Mr. Pehler moved that the Senate do not concur in the amendments by the House to S.F. No. 1861, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 2565: A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and other agencies with certain conditions; amending Minnesota Statutes 1986, section 84B.11, subdivision 2.

Senate File No. 2565 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 28, 1988

Mr. Merriam moved that the Senate do not concur in the amendments by the House to S.F. No. 2565, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 1493 and 2126.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 28, 1988

FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H.F. No. 1493: A bill for an act relating to civil law; deleting the minimum percentage amount for interest on judgments; altering the application of joint and several liability; providing for payment of future damages; amending Minnesota Statutes 1986, section 604.02, subdivision 1; Minnesota

Statutes 1987 Supplement, section 549.09, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 549; repealing Minnesota Statutes 1986, section 604.07.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1675, now on General Orders.

H.F. No. 2126: A bill for an act relating to the organization and operation of state government; appropriating money for human resources and other purposes with certain conditions; amending Minnesota Statutes 1986, sections 3.9223, subdivision 3; 3.9225, subdivision 3; 3.9226, subdivision 3; 62A.54; 62E.04, by adding subdivisions; 129A.02, subdivision 3; 129A.09; 129A.10; 144.053, by adding subdivisions; 144.125; 144A.04, by adding a subdivision; 145.853, subdivision 2; 145.894; 245.771, by adding a subdivision; 245.814, subdivisions 1, 2, and 3; 245.83; 245.84, subdivision 1; 246.023; 248.07, subdivision 7 and 12; 252.291, subdivisions 1 and 2; 256.73, subdivisions 2, 6, and by adding subdivisions; 256.736, by adding subdivisions; 256.76, subdivision 1; 256B.08; 256B.092, subdivisions 5 and 7; 256B.14, subdivision 2; 256B.17, subdivision 7; 256B.431, by adding subdivisions; 256B.501, subdivision 3, and by adding subdivisions; 256B.69, subdivisions 3 and 4; 256D.02, subdivision 7, and by adding a subdivision; 256D.06, by adding a subdivision; 256D.07; 256D.35, by adding a subdivision; 256D.37, subdivision 2, and by adding subdivisions; 256E.12, subdivisions 1 and 2; 256F.03, subdivision 8; 257.071, subdivisions 2 and 3, and by adding a subdivision; 257.072; 260.181, subdivision 3; 268.0111, by adding a subdivision; 268.911, subdivision 3; 326.371; 462A.05, by adding a subdivision; 462A.21, by adding a subdivision; 609.72, subdivision 1; 611A.32, by adding a subdivision; Minnesota Statutes 1987 Supplement, sections 3.922, subdivision 6; 16B.08, subdivision 7; 16B.61, subdivision 3; 62A.152, subdivision 2; 62A.48, subdivision 7; 62A.50, subdivision 3; 62D.102; 129A.01, subdivisions 5, 6, and 7; 129A.03; 129A.06, subdivision 1; 129A.07, subdivision 1; 129A.08, subdivisions 1, 4, and 5, and by adding subdivisions; 144A.071, subdivision 3; 144A.073, subdivisions 1, 2, 7, and 8; 148B.23, subdivision 1; 148B.42, subdivision 1; 245.462, subdivisions 3, 4, 6, 17, 18, 19, 20, 21, 23, and 25; 245.465; 245.466, subdivisions 1, 2, and 5; 245.467, by adding subdivisions; 245.469, subdivision 2; 245.471, subdivisions 2 and 3; 245.472, subdivision 2; 245.475, subdivisions 1 and 2; 245.476, subdivision 1; 245.477; 245.478, subdivisions 1, 2, and 9; 245.479; 245.482, subdivision 2; 245.696, subdivision 2; 245.697, subdivision 2, and by adding a subdivision; 245A.09, by adding a subdivision; 248.07, subdivision 8; 252.291, subdivision 3; 252.46, subdivisions 5 and 6, and by adding subdivisions; 253B.03, subdivision 6; 256.015, subdivision 2; 256.736, subdivisions 1b, 4, and 11; 256.936; 256.969, subdivision 3; 256B.02, subdivision 8; 256B.031, subdivision 5; 256B.042, subdivision 2; 256B.06, subdivisions 1 and 4; 256B.091, subdivision 4; 256B.35, subdivision 1; 256B.431, subdivision 4; 256B.433, subdivision 1; 256B.501, subdivision 1; 256B.73, subdivision 2, and by adding a subdivision; 256D.01, subdivision 1a; 256D.03, subdivision 3; 256D.06, subdivisions 1 and 1b; 256D.37, subdivision 1; 256E.12, subdivision 3; 268.91, subdivisions 1, 3, 3b, 3c, 3e, 4, and 12; 393.07, subdivision 10, and by adding a subdivision; Laws 1984, chapter 654, article 5, section 57, subdivision 1, as amended; Laws 1987, chapter 337, section 131; Laws 1987, chapter 403, article 2, section 34; Laws 1987, chapter 403, article 4, section 13; Laws 1987, chapter 403, article 1, section 4, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 62A; 62C; 62D; 144; 145; 152A; 157; 179A; 245; 246; 252; 256; 256B;

256H; 257; and 268; repealing Minnesota Statutes 1986, sections 136.26; 144.388; 245.84, subdivision 4; 245.86; 245.87; and 257.071, subdivision 6; Minnesota Statutes 1987 Supplement, sections 129A.01, subdivision 8; 129A.07, subdivision 2; 129A.08, subdivision 3; 148B.04, subdivision 1; and 256B.73, subdivision 10.

Mr. Merriam, for Mr. Moe, R.D., moved that H.F. No. 2126 be laid on the table. The motion prevailed.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was referred

S.F. No. 1963: A bill for an act relating to public finance; providing requirements for the issuance and use of public debt; amending Minnesota Statutes 1986, sections 123.36, by adding a subdivision; 410.32; 475.54, by adding a subdivision; 475.67, subdivision 13; Minnesota Statutes 1987 Supplement, sections 469.012, subdivision 1; 469.015, subdivision 4; 469.035; 469.155, subdivision 12; and 475.66, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 469.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 13, delete "123.36" and insert "123.35"

Page 2, after line 10, insert:

"Sec. 2. Minnesota Statutes 1986, section 375.83, is amended to read:
375.83 [ECONOMIC AND AGRICULTURAL DEVELOPMENT.]

A county board may appropriate not more than \$50,000 annually out of the general revenue fund of the county to be paid to any incorporated development society or organization of this state which, in the board's opinion, will use the money for the best interests of the county in promoting, advertising, improving, or developing the economic and agricultural resources of the county. *The limitation on appropriations in this section does not prohibit accumulation of amounts in excess of \$50,000 in a fund to be used for the purposes of this section.*"

Page 9, line 22, before the comma, insert " , or adjacent and integrally related to"

Pages 9 and 10, delete section 5

Page 10, before line 34, insert:

"Sec. 6. Minnesota Statutes 1987 Supplement, section 469.071, is amended by adding a subdivision to read:

Subd. 5. [EXCEPTION; PARKING FACILITIES.] Notwithstanding section 469.068, the Bloomington port authority need not require competitive bidding with respect to a structured parking facility constructed in conjunction with, and directly above or below, or adjacent and integrally related to, a development and financed with the proceeds of tax increment or revenue bonds."

Page 11, line 29, delete "[469.1551]" and insert "[469.1651]"

Page 11, line 31, before "A" insert "Prior to August 1, 1990,"

Page 11, line 34, delete everything after "nonprofit"

Page 11, delete line 35

Page 11, line 36, delete "of anticipating" and insert "hospitals in anticipation of"

Page 12, line 2, after the period, insert "The principal amount of the notes or certificates shall not exceed 75 percent of the accounts receivable and third-party reimbursement payments payable to that hospital as of a date within 45 days of the date of issuance. While notes or certificates issued under this section on behalf of an institution are outstanding, additional notes or certificates shall not be issued unless, for the period of 30 consecutive days immediately preceding the date of issuance, the amount of outstanding notes and certificates was less than six percent of that hospital's gross revenues for the preceding fiscal year."

The municipality need not comply with the procedures set forth in sections 469.152 to 469.165 in the issuance of notes or certificates of indebtedness pursuant to this section, but the municipality shall comply with sections 469.152 to 469.165 at the time of issuance of the refunding obligations if long-term obligations are issued to refund notes or certificates of indebtedness issued pursuant to this section."

Page 13, line 3, delete "six"

Page 13, delete lines 4 and 5

Page 13, line 6, delete everything before "months" and insert "13"

Page 13, line 7, delete "not less than par" and insert "such price as the municipality may agree"

Page 13, after line 11, insert:

"Any note or certificate of indebtedness issued pursuant to this section may be issued giving its owner the right to tender, or the municipality or the borrowing institution to demand tender of, the obligation to the municipality or the institution or another person designated by either of them, for purchase at a specified time or times. The note or certificate of indebtedness shall not be deemed to mature on any tender date, and the purchase of a tendered note or certificate shall not be deemed a payment or discharge of the note or certificate. Notes or certificates of indebtedness tendered for purchase may be remarketed by or on behalf of the municipality or any other purchaser. The municipality or the borrowing institution may enter into agreements deemed appropriate to provide for the purchase and remarketing of tendered notes or certificates of indebtedness, including provisions under which undelivered obligations may be deemed tendered for purchase and new obligations may be substituted for them, provisions for the payment of charges of tender agents, remarketing agents, and financial institutions extending lines of credit or letters of credit assuring repurchase, and for reimbursement of advances under letters of credit, which charges and reimbursements shall be paid by the borrowing institution.

Any notes or certificates of indebtedness issued pursuant to this section may bear interest at a rate varying periodically at the time or times and on the terms, including convertibility to a fixed rate of interest, determined

by the governing body of the municipality.”

Page 14, after line 1, insert:

“Subd. 6. [REPORT.] *Within 30 days after issuance of notes or certificates under this section, a municipality must report to the commissioner of health on the issuance. The report must include the name and location of the institution, the principal amount of the note or certificate, and its maturity date.*”

Page 14, line 4, after “obligation” insert “in a principal amount of \$25,000,000 or more”

Page 14, after line 19, insert:

“Sec. 10. Minnesota Statutes 1987 Supplement, section 475.60, subdivision 2, is amended to read:

Subd. 2. [REQUIREMENTS WAIVED.] The requirements as to public sale shall not apply to:

(1) obligations issued under the provisions of a home rule charter or of a law specifically authorizing a different method of sale, or authorizing them to be issued in such manner or on such terms and conditions as the governing body may determine;

(2) obligations sold by an issuer in an amount not exceeding the total sum of \$1,200,000 in any 12-month period;

(3) obligations issued by a governing body other than a school board in anticipation of the collection of taxes or other revenues appropriated for expenditure in a single year, if sold in accordance with the most favorable of two or more proposals solicited privately;

(4) obligations sold to any board, department, or agency of the United States of America or of the state of Minnesota, in accordance with rules or regulations promulgated by such board, department, or agency;

(5) obligations issued to fund pension and retirement fund liabilities under section 475.52, subdivision 6, obligations issued with tender options under section 475.54, subdivision 5a, ~~crossover~~ refunding obligations referred to in section 475.67, ~~subdivision 13,~~ and any issue of obligations comprised in whole or in part of obligations bearing interest at a rate or rates which vary periodically referred to in section 475.56; and

(6) obligations to be issued for a purpose, in a manner, and upon terms and conditions authorized by law, if the governing body of the municipality, on the advice of bond counsel or special tax counsel, determines that interest on the obligations cannot be represented to be excluded from gross income for purposes of federal income taxation.”

Page 14, line 33, after “are in” insert “(i)”

Page 14, line 34, strike “and” and insert “, (ii) *general obligation tax-exempt securities rated A or better by a national bond rating service, and (iii)*” and after “agreements” insert “*or reverse repurchase agreements*”

Page 14, line 35, after “agreements” insert “*or reverse repurchase agreements*”

Page 15, line 4, after the second “or” insert “*in general obligations of other state and local governments with taxing powers which are rated A or better by a national bond rating service.*”

Page 15, line 5, after the comma, insert "*or (3) a general obligation of a housing finance agency of any state if it includes a moral obligation of the state,*"

Page 15, line 6, strike "(2)" and insert "*(3) must be in obligations that are rated the highest or next highest rating given by Standard & Poor's Corporation or Moody's Investors Service, Inc., and*"

Page 15, line 7, strike "1990" and insert "1991"

Page 15, line 8, after "years" insert "*from the date of purchase, and further provided that investments under clauses (2) and (3) be determined to be expedient to reduce the amount of arbitrage rebate otherwise payable to the United States under section 148 of the Internal Revenue Code of 1986*"

Page 15, delete lines 14 to 20 and insert:

"(f) in guaranteed investment contracts issued or guaranteed by United States commercial banks or domestic branches of foreign banks or United States insurance companies or their Canadian or United States subsidiaries; provided that the investment contracts rank on a parity with the senior unsecured debt obligations of the issuer or guarantor and, in the case of long-term investment contracts, the long-term senior unsecured debt of the issuer or guarantor is rated in the highest or next highest rating category of Standard & Poor's Corporation, Moody's Investors Service, Inc., or a similar nationally recognized rating agency or, in the case of short-term investment contracts, the short-term unsecured debt of the issuer or guarantor is rated in the two highest rating categories of Standard and Poor's Corporation, Moody's Investors Service, Inc., or similar nationally recognized rating agency."

Page 16, line 7, delete the comma and insert "or"

Page 16, line 8, delete ", or other corporation"

Page 16, after line 35, insert:

"Sec. 13. [REPEALER.]

Laws 1987, chapter 358, section 31, is repealed."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, delete "123.36" and insert "123.35"

Page 1, line 5, after the first semicolon, insert "375.83;"

Page 1, line 8, delete "469.035;" and insert "469.071, by adding a subdivision;" and after "12;" insert "475.60, subdivision 2;"

Page 1, line 10, before the period, insert "; repealing Laws 1987, chapter 358, section 31"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was re-referred

S.F. No. 105: A bill for an act relating to taxation; permitting counties to impose a special levy for payments to soil and water conservation districts; amending Minnesota Statutes 1986, section 275.50, subdivision 5.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1987 Supplement, section 275.50, subdivision 5, is amended to read:

Subd. 5. Notwithstanding any other law to the contrary for taxes levied in 1983 payable in 1984 and subsequent years, "special levies" means those portions of ad valorem taxes levied by governmental subdivisions to:

(a) satisfy judgments rendered against the governmental subdivision by a court of competent jurisdiction in any tort action, or to pay the costs of settlements out of court against the governmental subdivision in a tort action when substantiated by a stipulation for the dismissal of the action filed with the court of competent jurisdiction and signed by both the plaintiff and the legal representative of the governmental subdivision, but only to the extent of the increase in levy for such judgments and out of court settlements over levy year 1970, taxes payable in 1971;

(b) pay the costs of complying with any written lawful order initially issued prior to January 1, 1977, by the state of Minnesota, or the United States, or any agency or subdivision thereof, which is authorized by law, statute, special act or ordinance and is enforceable in a court of competent jurisdiction, or any stipulation agreement or permit for treatment works or disposal system for pollution abatement in lieu of a lawful order signed by the governmental subdivision and the state of Minnesota, or the United States, or any agency or subdivision thereof which is enforceable in a court of competent jurisdiction. The commissioner of revenue shall in consultation with other state departments and agencies, develop a suggested form for use by the state of Minnesota, its agencies and subdivisions in issuing orders pursuant to this subdivision;

(c) pay the costs to a governmental subdivision for their minimum required share of any program otherwise authorized by law for which matching funds have been appropriated by the state of Minnesota or the United States, excluding the administrative costs of public assistance programs, to the extent of the increase in levy over the amount levied for the local share of the program for the taxes payable year 1971. This clause shall apply only to those programs or projects for which matching funds have been designated by the state of Minnesota or the United States on or before September 1, of the previous year and only when the receipt of these matching funds is contingent upon the initiation or implementation of the project or program during the year in which the taxes are payable or those programs or projects approved by the commissioner;

(d) pay the costs not reimbursed by the state or federal government, of payments made to or on behalf of recipients of aid under any public assistance program authorized by law, and the costs of purchase or delivery of social services. Except for the costs of general assistance as defined in

section 256D.02, subdivision 4, general assistance medical care under section 256D.03 and the costs of hospital care pursuant to section 261.21, the aggregate amounts levied pursuant to this clause are subject to a maximum increase of 18 percent over the amount levied for these purposes in the previous year;

(e) pay the costs of principal and interest on bonded indebtedness except on bonded indebtedness issued under section 471.981, subdivisions 4 to 4c or to reimburse for the amount of liquor store revenues used to pay the principal and interest due in the year preceding the year for which the levy limit is calculated on municipal liquor store bonds;

(f) pay the costs of principal and interest on certificates of indebtedness, except tax anticipation or aid anticipation certificates of indebtedness, issued for any corporate purpose except current expenses or funding an insufficiency in receipts from taxes or other sources or funding extraordinary expenditures resulting from a public emergency; and to pay the cost for certificates of indebtedness issued pursuant to sections 298.28 and 298.282;

(g) fund the payments made to the Minnesota state armory building commission pursuant to section 193.145, subdivision 2, to retire the principal and interest on armory construction bonds;

(h) provide for the bonded indebtedness portion of payments made to another political subdivision of the state of Minnesota;

(i) pay the amounts required to compensate for a decrease in manufactured homes property tax receipts to the extent that the governmental subdivision's portion of the total levy in the current levy year, pursuant to section 274.19, subdivision 8, as amended, is less than the distribution of the manufactured homes tax to the governmental subdivision pursuant to Minnesota Statutes 1969, section 273.13, subdivision 3, in calendar year 1971;

(j) pay the amounts required, in accordance with section 275.075, to correct for a county auditor's error of omission but only to the extent that when added to the preceding year's levy it is not in excess of an applicable statutory, special law or charter limitation, or the limitation imposed on the governmental subdivision by sections 275.50 to 275.56 in the preceding levy year;

(k) pay amounts required to correct for an error of omission in the levy certified to the appropriate county auditor or auditors by the governing body of a city or town with statutory city powers in a levy year, but only to the extent that when added to the preceding year's levy it is not in excess of an applicable statutory, special law or charter limitation, or the limitation imposed on the governmental subdivision by sections 275.50 to 275.56 in the preceding levy year;

(l) pay the increased cost of municipal services as the result of an annexation or consolidation ordered by the Minnesota municipal board but only to the extent and for the levy years as provided by the board in its order pursuant to section 414.01, subdivision 15. Special levies authorized by the board shall not exceed 50 percent of the levy limit base of the governmental subdivision and may not be in effect for more than three years after the board's order;

(m) pay the increased costs of municipal services provided to new private industrial and nonresidential commercial development, to the extent that the extension of such services are not paid for through bonded indebtedness

or special assessments, and not to exceed the amount determined as follows. The governmental subdivision may calculate the aggregate of:

(1) the increased expenditures necessary in preparation for the delivering of municipal services to new private industrial and nonresidential commercial development, but limited to one year's expenditures one time for each such development;

(2) the amount determined by dividing the overall levy limitation established pursuant to sections 275.50 to 275.56, and exclusive of special levies and special assessments, by the total taxable value of the governmental subdivision, and then multiplying this quotient times the total increase in assessed value of private industrial and nonresidential commercial development within the governmental subdivision. For the purpose of this clause, the increase in the assessed value of private industrial and nonresidential commercial development is calculated as the increase in assessed value over the assessed value of the real estate parcels subject to such private development as most recently determined before the building permit was issued. In the fourth levy year subsequent to the levy year in which the building permit was issued, the increase in assessed value of the real estate parcels subject to such private development shall no longer be included in determining the special levy.

The aggregate of the foregoing amounts, less any costs of extending municipal services to new private industrial and nonresidential commercial development which are paid by bonded indebtedness or special assessments, equals the maximum amount that may be levied as a "special levy" for the increased costs of municipal services provided to new private industrial and nonresidential commercial development. In the levy year following the levy year in which the special levy made pursuant to this clause is discontinued, one-half of the amount of that special levy made in the preceding year shall be added to the permanent levy base of the governmental subdivision;

(n) recover a loss or refunds in tax receipts incurred in nonspecial levy funds resulting from abatements or court action in the previous year pursuant to section 275.48;

(o) pay amounts required by law to be paid to pay the interest on and to reduce the unfunded accrued liability of public pension funds in accordance with the actuarial standards and guidelines specified in sections 356.215 and 356.216 reduced by 106 percent of the amount levied for that purpose in 1976, payable in 1977. For the purpose of this special levy, the estimated receipts expected from the state of Minnesota pursuant to sections 69.011 to 69.031 or any other state aid expressly intended for the support of public pension funds shall be considered as a deduction in determining the required levy for the normal costs of the public pension funds. No amount of these aids shall be considered as a deduction in determining the governmental subdivision's required levy for the reduction of the unfunded accrued liability of public pension funds;

(p) the amounts allowed under section 174.27 to establish and administer a commuter van program;

(q) pay the costs of financial assistance to local governmental units and certain administrative, engineering, and legal expenses pursuant to Laws 1979, chapter 253, section 3;

(r) compensate for revenue lost as a result of abatements or court action

pursuant to section 270.07, 270.17 or 278.01 due to a reassessment ordered by the commissioner of revenue pursuant to section 270.16;

(s) pay the total operating cost of a county jail as authorized in section 641.01. If the county government utilizes this special levy, then any amount levied by the county government in the previous year for operating its county jail and included in its previous year's levy limitation computed pursuant to section 275.51 shall be deducted from the current levy limitation;

(t) pay the costs of implementing section 18.023, including sanitation and reforestation;

(u) pay the estimated cost for the following calendar year of the county's share of funding the Minnesota cooperative soil survey;

(v) pay the costs of meeting the planning requirements of section 115A.46; the requirements of section 115A.917; the planning requirements of the metropolitan plan adopted under section 473.149 and county master plans adopted under section 473.803; waste reduction and source separation programs and facilities; response actions that are financed in part by service charges under section 400.08 or 115A.15, subdivision 6; closure and postclosure care of a solid waste facility closed by order of the pollution control agency or by expiration of an agency permit before January 1, 1989; and current operating and maintenance costs of a publicly-owned solid waste processing facility financed with general obligation bonds issued after a referendum before March 25, 1986;

(w) pay the annual principal and interest due on a loan made under section 116J.37;

(x) pay the annual principal and interest due on a loan from money received from litigation or settlement of alleged violations of federal petroleum pricing regulations; ~~and~~

(y) pay the costs of constructing public libraries; *and*

(z) fund the county's share of soil and water conservation district expenses for which a levy is imposed under section 40.07, subdivision 15, provided that a special levy under this paragraph may not exceed one mill.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective for taxes levied in 1988, payable in 1989, and thereafter."

Amend the title as follows:

Page 1, line 5, delete "1986" and insert "1987 Supplement"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was re-referred

S.F. No. 765: A bill for an act relating to local government; granting the city of Cannon Falls the authority to establish a port authority; authorizing the port authority to exercise the power of a municipal housing and redevelopment authority; authorizing the city to impose restrictions and limitations upon the powers and procedures of the port authority; permitting the city to choose the name of the port authority; providing for removal of

port authority commissioners; requiring local approval.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 18, delete "458.09" and insert "469.049"

Page 1, line 20, delete "chapter 462" and insert "sections 469.001 to 469.047"

Page 1, line 22, delete "472A.10" and insert "469.131"

Page 1, line 28, delete "chapter 458" and insert "sections 469.048 to 469.068"

Page 2, line 2, delete "chapter 462" and insert "sections 469.001 to 469.047"

Page 2, lines 10 and 11, delete "chapters 458 and 462" and insert "sections 469.001 to 469.068"

Page 3, line 3, delete "273.73" and insert "469.174"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was re-referred

S.F. No. 1297: A bill for an act relating to local government; granting the city of Redwood Falls the authority to establish a port authority; authorizing the port authority to exercise the power of a municipal housing and redevelopment authority; authorizing the city to impose restrictions and limitations upon the powers and procedures of the port authority; permitting the city to choose the name of the port authority; providing for removal of port authority commissioners; requiring local approval.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 18, delete "458.09" and insert "469.049"

Page 1, line 20, delete "chapter 462" and insert "sections 469.001 to 469.047"

Page 1, line 22, delete "472A.10" and insert "469.131"

Page 2, line 4, delete "chapter 458" and insert "sections 469.048 to 469.068"

Page 2, line 6, delete "chapter 462" and insert "sections 469.001 to 469.047"

Page 2, lines 13 and 14, delete "chapters 458 and 462" and insert "sections 469.001 to 469.068"

Page 3, line 6, delete "273.73" and insert "469.174"

And when so amended the bill do pass. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 2568, 2569, 1963, 105, 765 and 1297 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Frederickson, D.J. moved that the name of Mr. DeCramer be added as a co-author to S.F. No. 1939. The motion prevailed.

Mr. Johnson, D.J. moved that the name of Mr. Novak be added as a co-author to S.F. No. 2216. The motion prevailed.

SUSPENSION OF RULES

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the Calendar and that the rules of the Senate be so far suspended as to waive the lie-over requirement. The motion prevailed.

CALENDAR

H.F. No. 2317: A bill for an act relating to education; providing for use of certain revenues in the independent school district No. 710 bond redemption fund; amending Laws 1982, chapter 523, article 30, section 4, subdivision 3.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 59 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Hughes	Marty	Pogemiller
Anderson	Dahl	Johnson, D.E.	McQuaid	Purfeerst
Beckman	Davis	Johnson, D.J.	Merriam	Ramstad
Belanger	Decker	Jude	Metzen	Renneke
Benson	DeCramer	Knaak	Moe, D.M.	Samuelson
Berg	Dicklich	Kroening	Morse	Schmitz
Berglin	Diessner	Laidig	Novak	Solon
Bernhagen	Frank	Langseth	Olson	Spear
Bertram	Frederick	Lantry	Pehler	Storm
Brandl	Frederickson, D.J.	Larson	Peterson, D.C.	Stumpf
Brataas	Frederickson, D.R.	Lessard	Peterson, R.W.	Vickerman
Chmielewski	Freeman	Luther	Piper	

So the bill passed and its title was agreed to.

H.F. No. 1526: A bill for an act relating to transportation; defining motor vehicle; providing for brakes on motor vehicles manufactured after June 30, 1988; amending Minnesota Statutes 1986, sections 168.011, subdivision 4; and 169.67, subdivisions 3 and 4.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.J.	Merriam	Ramstad
Anderson	Davis	Jude	Metzen	Reichgott
Beckman	Decker	Knaak	Moe, D.M.	Renneke
Belanger	DeCramer	Knutson	Moe, R.D.	Samuelson
Benson	Dicklich	Kroening	Morse	Schmitz
Berg	Diessner	Laidig	Novak	Solon
Berglin	Frank	Langseth	Olson	Spear
Bernhagen	Frederick	Lantry	Pehler	Storm
Bertram	Frederickson, D.J.	Larson	Peterson, D.C.	Stumpf
Brandl	Frederickson, D.R.	Lessard	Peterson, R.W.	Vickerman
Brataas	Freeman	Luther	Piper	
Chmielewski	Hughes	Marty	Pogemiller	
Cohen	Johnson, D.E.	McQuaid	Purfeerst	

So the bill passed and its title was agreed to.

H.F. No. 2049: A bill for an act relating to commerce; motor vehicles; clarifying the intent of the legislature regarding certain motor vehicle coverages; regulating motor vehicle franchises; clarifying the intent of the legislature regarding cancellations, terminations, or nonrenewals; specifying unfair practices; prohibiting agreements designed to waive, nullify, or modify statutory regulation; requiring lessors to title and register vehicles; amending Minnesota Statutes 1986, sections 60A.08, by adding a subdivision; 80E.06; 80E.07; 80E.08; 80E.09; 80E.13; Minnesota Statutes 1987 Supplement, sections 65B.49, subdivision 5a; and 72A.125, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 80E.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Metzen	Reichgott
Anderson	Decker	Knaak	Moe, D.M.	Renneke
Beckman	DeCramer	Knutson	Moe, R.D.	Samuelson
Belanger	Dicklich	Kroening	Morse	Schmitz
Benson	Diessner	Laidig	Novak	Solon
Berg	Frank	Langseth	Olson	Spear
Berglin	Frederick	Lantry	Pehler	Storm
Bernhagen	Frederickson, D.J.	Larson	Peterson, D.C.	Stumpf
Bertram	Frederickson, D.R.	Lessard	Peterson, R.W.	Vickerman
Brataas	Freeman	Luther	Piper	
Chmielewski	Hughes	Marty	Pogemiller	
Cohen	Johnson, D.E.	McQuaid	Purfeerst	
Dahl	Johnson, D.J.	Merriam	Ramstad	

So the bill passed and its title was agreed to.

H.F. No. 2020: A bill for an act relating to utilities; encouraging settlements prior to contested case hearings; authorizing the public utilities commission to extend suspended rates during multiple general rate filings; providing for imposition of interim rates when commission extends suspended rates; amending Minnesota Statutes 1986, sections 216B.16, subdivisions 1a, 2, and 3; and 237.075, subdivisions 2 and 3.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.J.	Merriam	Ramstad
Anderson	Davis	Jude	Metzen	Reichgott
Beckman	Decker	Knaak	Moe, D.M.	Renneke
Belanger	DeCramer	Knutson	Moe, R.D.	Samuelson
Benson	Dicklich	Kroening	Morse	Schmitz
Berg	Diessner	Laidig	Novak	Solon
Berglin	Frank	Langseth	Olson	Spear
Bernhagen	Frederick	Lantry	Pehler	Storm
Bertram	Frederickson, D.J.	Larson	Peterson, D.C.	Stumpf
Brandl	Frederickson, D.R.	Lessard	Peterson, R.W.	Vickerman
Brataas	Freeman	Luther	Piper	
Chmielewski	Hughes	Marty	Pogemiller	
Cohen	Johnson, D.E.	McQuaid	Purfeerst	

So the bill passed and its title was agreed to.

S.F. No. 2114: A bill for an act relating to crimes; requiring a warning label on replica firearms; proposing coding for new law in Minnesota Statutes, chapter 325F.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.J.	Merriam	Ramstad
Anderson	Davis	Jude	Metzen	Reichgott
Beckman	Decker	Knaak	Moe, D.M.	Renneke
Belanger	DeCramer	Knutson	Moe, R.D.	Samuelson
Benson	Dicklich	Kroening	Morse	Schmitz
Berg	Diessner	Laidig	Novak	Solon
Berglin	Frank	Langseth	Olson	Spear
Bernhagen	Frederick	Lantry	Pehler	Storm
Bertram	Frederickson, D.J.	Larson	Peterson, D.C.	Stumpf
Brandl	Frederickson, D.R.	Lessard	Peterson, R.W.	Vickerman
Brataas	Freeman	Luther	Piper	
Chmielewski	Hughes	Marty	Pogemiller	
Cohen	Johnson, D.E.	McQuaid	Purfeerst	

So the bill passed and its title was agreed to.

S.F. No. 1561: A bill for an act relating to game and fish; prohibiting the use of certain meat in baiting bears; authorizing electric landing nets; regulating possession limits, size, and season for walleyed pike in the Rainy River; amending Minnesota Statutes 1986, section 97B.425; proposing coding for new law in Minnesota Statutes, chapter 97C; repealing Minnesota Statutes 1987 Supplement, section 97C.402.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Merriam	Reichgott
Anderson	Decker	Jude	Metzen	Renneke
Beckman	DeCramer	Knaak	Moe, R.D.	Samuelson
Belanger	Dicklich	Knutson	Morse	Schmitz
Benson	Diessner	Kroening	Novak	Solon
Berg	Frank	Laidig	Olson	Spear
Berglin	Frederick	Langseth	Pehler	Storm
Bernhagen	Frederickson, D.J.	Lantry	Peterson, D.C.	Stumpf
Bertram	Frederickson, D.R.	Larson	Peterson, R.W.	Vickerman
Brataas	Freeman	Lessard	Piper	
Chmielewski	Gustafson	Luther	Pogemiller	
Cohen	Hughes	Marty	Purfeerst	
Dahl	Johnson, D.E.	McQuaid	Ramstad	

Mr. Brandl voted in the negative.

So the bill passed and its title was agreed to.

H.F. No. 1731: A bill for an act relating to the city of Proctor; authorizing the continuance of a municipal liquor store.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	McQuaid	Purfeerst
Anderson	Davis	Johnson, D.J.	Merriam	Ramstad
Beckman	Decker	Jude	Metzen	Renneke
Belanger	DeCramer	Knaak	Moe, D.M.	Samuelson
Benson	Dicklich	Knutson	Moe, R.D.	Schmitz
Berg	Diessner	Kroening	Morse	Solon
Berglin	Frank	Laidig	Novak	Spear
Bernhagen	Frederick	Langseth	Olson	Storm
Bertram	Frederickson, D.J.	Lantry	Pehler	Stumpf
Brandl	Frederickson, D.R.	Larson	Peterson, D.C.	Vickerman
Brataas	Freeman	Lessard	Peterson, R.W.	
Chmielewski	Gustafson	Luther	Piper	
Cohen	Hughes	Marty	Pogemiller	

So the bill passed and its title was agreed to.

H.F. No. 2254: A bill for an act relating to liquor; authorizing the city of Blaine to issue an on-sale intoxicating liquor license to the Pheasant Ridge Music Center.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 53 and nays 8, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Hughes	Luther	Ramstad
Anderson	Davis	Johnson, D.E.	Marty	Renneke
Beckman	Decker	Jude	McQuaid	Samuelson
Belanger	DeCramer	Knaak	Merriam	Schmitz
Benson	Diessner	Knutson	Metzen	Solon
Berg	Frank	Kroening	Moe, R.D.	Spear
Berglin	Frederick	Laidig	Morse	Storm
Bernhagen	Frederickson, D.J.	Langseth	Pehler	Stumpf
Bertram	Frederickson, D.R.	Lantry	Peterson, D.C.	Vickerman
Brandl	Freeman	Larson	Piper	
Brataas	Gustafson	Lessard	Purfeerst	

Those who voted in the negative were:

Chmielewski	Dicklich	Novak	Peterson, R.W.	Reichgott
Dahl	Johnson, D.J.	Olson		

So the bill passed and its title was agreed to.

H.F. No. 2358: A bill for an act relating to state lands; authorizing sale of certain tax-forfeited lands that border public water in East Grand Forks, Polk county.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Merriam	Ramstad
Anderson	Decker	Jude	Metzen	Reichgott
Beckman	DeCramer	Knaak	Moe, D.M.	Renneke
Belanger	Dicklich	Knutson	Moe, R.D.	Samuelson
Benson	Diessner	Kroening	Morse	Schmitz
Berg	Frank	Laidig	Novak	Solon
Berglin	Frederick	Langseth	Olson	Spear
Bertram	Frederickson, D.J.	Lantry	Pehler	Storm
Brandl	Frederickson, D.R.	Larson	Peterson, D.C.	Stumpf
Brataas	Freeman	Lessard	Peterson, R.W.	Vickerman
Chmielewski	Gustafson	Luther	Piper	Waldorf
Cohen	Hughes	Marty	Pogemiller	
Dahl	Johnson, D.E.	McQuaid	Purfeerst	

So the bill passed and its title was agreed to.

S.F. No. 1823: A bill for an act relating to water; amending the Minnesota watershed act by adding reasons for termination of a watershed district; amending Minnesota Statutes 1987 Supplement, section 112.411, subdivision 4.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Metzen	Reichgott
Beckman	Decker	Knaak	Moe, D.M.	Renneke
Belanger	DeCramer	Knutson	Moe, R.D.	Samuelson
Benson	Dicklich	Kroening	Morse	Schmitz
Berg	Frank	Laidig	Novak	Solon
Berglin	Frederick	Langseth	Olson	Spear
Bernhagen	Frederickson, D.J.	Lantry	Pehler	Storm
Bertram	Frederickson, D.R.	Larson	Peterson, D.C.	Stumpf
Brandl	Freeman	Lessard	Peterson, R.W.	Vickerman
Brataas	Gustafson	Luther	Piper	Waldorf
Chmielewski	Hughes	Marty	Pogemiller	
Cohen	Johnson, D.E.	McQuaid	Purfeerst	
Dahl	Johnson, D.J.	Merriam	Ramstad	

So the bill passed and its title was agreed to.

H.F. No. 1897: A bill for an act relating to insurance; regulating the Minnesota Insurance Guaranty Association; excluding investment risks insurance from coverage; modifying the definitions of "resident" and "covered claim"; regulating claims; preventing insolvencies; making certain technical changes; amending Minnesota Statutes 1986, sections 60C.02, subdivision 1; 60C.03, subdivisions 2, 7, and by adding a subdivision; 60C.05, subdivisions 1 and 2; 60C.06, by adding a subdivision; 60C.13, subdivision 2; 60C.15; and 60C.18; Minnesota Statutes 1987 Supplement, section 60C.09; repealing Minnesota Statutes 1987 Supplement, section 60C.06, subdivision 5.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	Merriam	Ramstad
Anderson	Davis	Johnson, D.J.	Metzen	Reichgott
Beckman	Decker	Jude	Moe, D.M.	Renneke
Belanger	DeCramer	Knaak	Moe, R.D.	Samuelson
Benson	Dicklich	Kroening	Morse	Schmitz
Berg	Diessner	Laidig	Novak	Solon
Berglin	Frank	Langseth	Olson	Spear
Bernhagen	Frederick	Lantry	Pehler	Storm
Bertram	Frederickson, D.J.	Larson	Peterson, D.C.	Stumpf
Brandl	Frederickson, D.R.	Lessard	Peterson, R.W.	Vickerman
Brataas	Freeman	Luther	Piper	Waldorf
Chmielewski	Gustafson	Marty	Pogemiller	
Cohen	Hughes	McQuaid	Purfeerst	

So the bill passed and its title was agreed to.

H.F. No. 2559: A bill for an act relating to commerce; regulating sales and repair of hearing aids; amending Minnesota Statutes 1986, section 145.43, subdivision 1a, and by adding a subdivision; Minnesota Statutes 1987 Supplement, section 145.43, subdivision 4.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	Merriam	Ramstad
Anderson	Davis	Johnson, D.J.	Metzen	Reichgott
Beckman	Decker	Jude	Moe, D.M.	Renneke
Belanger	DeCramer	Knaak	Moe, R.D.	Samuelson
Benson	Dicklich	Knutson	Morse	Schmitz
Berg	Diessner	Kroening	Novak	Spear
Berglin	Frank	Laidig	Olson	Storm
Bernhagen	Frederick	Langseth	Pehler	Stumpf
Bertram	Frederickson, D.J.	Lantry	Peterson, D.C.	Vickerman
Brandl	Frederickson, D.R.	Larson	Peterson, R.W.	Waldorf
Brataas	Freeman	Lessard	Piper	
Chmielewski	Gustafson	Luther	Pogemiller	
Cohen	Hughes	Marty	Purfeerst	

So the bill passed and its title was agreed to.

H.F. No. 1585: A bill for an act relating to natural resources; designating a basin of Twin Lake within the city of Robbinsdale as a separate basin, South Twin Lake.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	McQuaid	Purfeerst
Anderson	Davis	Johnson, D.J.	Merriam	Ramstad
Beckman	Decker	Jude	Metzen	Reichgott
Belanger	DeCramer	Knaak	Moe, D.M.	Renneke
Benson	Dicklich	Knutson	Moe, R.D.	Samuelson
Berg	Diessner	Kroening	Morse	Schmitz
Berglin	Frank	Laidig	Novak	Solon
Bernhagen	Frederick	Langseth	Olson	Spear
Bertram	Frederickson, D.J.	Lantry	Pehler	Storm
Brandl	Frederickson, D.R.	Larson	Peterson, D.C.	Stumpf
Brataas	Freeman	Lessard	Peterson, R.W.	Vickerman
Chmielewski	Gustafson	Luther	Piper	Waldorf
Cohen	Hughes	Marty	Pogemiller	

So the bill passed and its title was agreed to.

H.F. No. 2252: A bill for an act relating to state lands; conveying certain lands to the city of Brooklyn Center in Hennepin county.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	McQuaid	Purfeerst
Anderson	Davis	Johnson, D.J.	Merriam	Ramstad
Beckman	Decker	Jude	Metzen	Renneke
Belanger	DeCramer	Knaak	Moe, D.M.	Samuelson
Benson	Dicklich	Knutson	Moe, R.D.	Schmitz
Berg	Diessner	Kroening	Morse	Solon
Berglin	Frank	Laidig	Novak	Spear
Bernhagen	Frederick	Langseth	Olson	Storm
Bertram	Frederickson, D.J.	Lantry	Pehler	Stumpf
Brandl	Frederickson, D.R.	Larson	Peterson, D.C.	Vickerman
Brataas	Freeman	Lessard	Peterson, R.W.	Waldorf
Chmielewski	Gustafson	Luther	Piper	
Cohen	Hughes	Marty	Pogemiller	

So the bill passed and its title was agreed to.

H.F. No. 2092: A bill for an act relating to environment; authorizing sanitary districts to apply for and receive assistance from the waste management board for certain solid waste programs; amending Minnesota Statutes 1986, section 115A.50; and Minnesota Statutes 1987 Supplement, section 115A.49.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	McQuaid	Purfeerst
Anderson	Davis	Johnson, D.J.	Merriam	Ramstad
Beckman	Decker	Jude	Metzen	Reichgott
Belanger	DeCramer	Knaak	Moe, D.M.	Renneke
Benson	Dicklich	Knutson	Moe, R.D.	Samuelson
Berg	Diessner	Kroening	Morse	Schmitz
Berglin	Frank	Laidig	Novak	Solon
Bernhagen	Frederick	Langseth	Olson	Spear
Bertram	Frederickson, D.J.	Lantry	Pehler	Storm
Brandl	Frederickson, D.R.	Larson	Peterson, D.C.	Stumpf
Brataas	Freeman	Lessard	Peterson, R.W.	Vickerman
Chmielewski	Gustafson	Luther	Piper	Waldorf
Cohen	Hughes	Marty	Pogemiller	

So the bill passed and its title was agreed to.

H.F. No. 2629: A bill for an act relating to minerals; authorizing the commissioner of natural resources to lease certain severed mineral interests; amending Minnesota Statutes 1986, section 93.55, subdivisions 1, 3, and by adding a subdivision.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	McQuaid	Purfeerst
Anderson	Davis	Johnson, D.J.	Merriam	Ramstad
Beckman	Decker	Jude	Metzen	Reichgott
Belanger	DeCramer	Knaak	Moe, D.M.	Renneke
Benson	Dicklich	Knutson	Moe, R.D.	Samuelson
Berg	Diessner	Kroening	Morse	Schmitz
Berglin	Frank	Laidig	Novak	Solon
Bernhagen	Frederick	Langseth	Olson	Spear
Bertram	Frederickson, D.J.	Lantry	Pehler	Storm
Brandl	Frederickson, D.R.	Larson	Peterson, D.C.	Stumpf
Brataas	Freeman	Lessard	Peterson, R.W.	Vickerman
Chmielewski	Gustafson	Luther	Piper	Waldorf
Cohen	Hughes	Marty	Pogemiller	

So the bill passed and its title was agreed to.

H.F No. 2551: A bill for an act relating to state lands; authorizing private conveyance of tax-forfeited land in St. Louis county.

With the unanimous consent of the Senate, Mr. Johnson, D.J. moved to amend H.F No. 2551 as follows:

Page 2, line 10, delete "2.7" and insert "8.76"

Page 2, delete lines 12 to 17 and insert:

"That part of Government Lot 3, Section 21, Township 56 North, Range 14 West, St. Louis county, Minnesota, lying westerly of the following described line:

Commencing at the northwest corner of said section 21; thence north 87 degrees 56 minutes 17 seconds west, along the north line of said section, a distance of 1117.10 feet; to the point of beginning; thence south 0 degrees 27 minutes 36 seconds east, parallel with the west line of the northerly part of Government Lot 3; a distance of 1825 feet more or less to the lakeshore and said line there terminating."

The motion prevailed. So the amendment was adopted.

H.F No. 2551 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 63 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.J.	Merriam	Ramstad
Anderson	Davis	Jude	Metzen	Reichgott
Beckman	Decker	Knaak	Moe, D.M.	Renneke
Belanger	DeCramer	Knutson	Moe, R.D.	Samuelson
Benson	Diessner	Kroening	Morse	Schmitz
Berg	Frank	Laidig	Novak	Solon
Berglin	Frederick	Langseth	Olson	Spear
Bernhagen	Frederickson, D.J.	Lantry	Pehler	Storm
Bertram	Frederickson, D.R.	Larson	Peterson, D.C.	Stumpf
Brandl	Freeman	Lessard	Peterson, R.W.	Vickerman
Brataas	Gustafson	Luther	Piper	Waldorf
Chmielewski	Hughes	Marty	Pogemiller	
Cohen	Johnson, D.E.	McQuaid	Purfeerst	

Mr. Dicklich voted in the negative.

So the bill, as amended, passed and its title was agreed to.

H.F. No. 2489: A bill for an act relating to land exchange; authorizing the exchange of certain state lands free from reservations of public travel under certain conditions; authorizing sale of certain land in Cook county; amending Minnesota Statutes 1986, section 94.342, subdivision 3.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	McQuaid	Purfeerst
Anderson	Davis	Johnson, D.J.	Merriam	Ramstad
Beckman	Decker	Jude	Metzen	Reichgott
Belanger	DeCramer	Knaak	Moe, D.M.	Renneke
Benson	Dicklich	Knutson	Moe, R.D.	Samuelson
Berg	Diessner	Kroening	Morse	Schmitz
Berglin	Frank	Laidig	Novak	Solon
Bernhagen	Frederick	Langseth	Olson	Spear
Bertram	Frederickson, D.J.	Lantry	Pehler	Storm
Brandl	Frederickson, D.R.	Larson	Peterson, D.C.	Stumpf
Brataas	Freeman	Lessard	Peterson, R.W.	Vickerman
Chmielewski	Gustafson	Luther	Piper	Waldorf
Cohen	Hughes	Marty	Pogemiller	

So the bill passed and its title was agreed to.

S.F. No. 2079: A bill for an act relating to natural resources; providing for a statement of need and reasonableness before designating muskellunge waters; amending Minnesota Statutes 1986, section 97C.011.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 3, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Metzen	Reichgott
Anderson	Decker	Jude	Moe, D.M.	Renneke
Beckman	DeCramer	Knaak	Moe, R.D.	Samuelson
Belanger	Dicklich	Knutson	Morse	Schmitz
Benson	Diessner	Kroening	Novak	Solon
Berg	Frank	Laidig	Olson	Storm
Bernhagen	Frederick	Langseth	Pehler	Stumpf
Bertram	Frederickson, D.J.	Lantry	Peterson, D.C.	Vickerman
Brandl	Frederickson, D.R.	Larson	Peterson, R.W.	Waldorf
Brataas	Freeman	Lessard	Piper	
Chmielewski	Gustafson	Luther	Pogemiller	
Cohen	Hughes	Marty	Purfeerst	
Dahl	Johnson, D.E.	McQuaid	Ramstad	

Ms. Berglin, Messrs. Merriam and Spear voted in the negative.

So the bill passed and its title was agreed to.

H.F. No. 2402: A bill for an act relating to economic development; permitting certain development authorities to hold certain licenses; amending Minnesota Statutes 1987 Supplement, section 469.155, subdivision 13.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	McQuaid	Purfeerst
Anderson	Davis	Johnson, D.J.	Merriam	Ramstad
Beckman	Decker	Jude	Metzen	Reichgott
Belanger	DeCramer	Knaak	Moe, D.M.	Renneke
Benson	Dicklich	Knutson	Moe, R.D.	Samuelson
Berg	Diessner	Kroening	Morse	Schmitz
Berglin	Frank	Laidig	Novak	Solon
Bernhagen	Frederick	Langseth	Olson	Spear
Bertram	Frederickson, D.J.	Lantry	Pehler	Storm
Brandl	Frederickson, D.R.	Larson	Peterson, D.C.	Stumpf
Brataas	Freeman	Lessard	Peterson, R.W.	Vickerman
Chmielewski	Gustafson	Luther	Piper	Waldorf
Cohen	Hughes	Marty	Pogemiller	

So the bill passed and its title was agreed to.

H.F. No. 2422: A bill for an act relating to agriculture; clarifying certain exemptions; specifying property exempt from final process issued by a court; modifying the exemption for employee benefits; amending Minnesota Statutes 1986, sections 323.24; and 550.37, subdivisions 5 and 24.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	McQuaid	Purfeerst
Anderson	Davis	Johnson, D.J.	Merriam	Ramstad
Beckman	Decker	Jude	Metzen	Reichgott
Belanger	DeCramer	Knaak	Moe, D.M.	Renneke
Benson	Dicklich	Knutson	Moe, R.D.	Samuelson
Berg	Diessner	Kroening	Morse	Schmitz
Berglin	Frank	Laidig	Novak	Solon
Bernhagen	Frederick	Langseth	Olson	Spear
Bertram	Frederickson, D.J.	Lantry	Pehler	Storm
Brandl	Frederickson, D.R.	Larson	Peterson, D.C.	Stumpf
Brataas	Freeman	Lessard	Peterson, R.W.	Vickerman
Chmielewski	Gustafson	Luther	Piper	Waldorf
Cohen	Hughes	Marty	Pogemiller	

So the bill passed and its title was agreed to.

H.F. No. 2508: A bill for an act relating to statute of limitations; providing relief for certain individuals denied a remedy due to the unconstitutionality of a statute of limitation relating to real property improvement.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	McQuaid	Purfeerst
Anderson	Davis	Johnson, D.J.	Merriam	Ramstad
Beckman	Decker	Jude	Metzen	Reichgott
Belanger	DeCramer	Knaak	Moe, D.M.	Renneke
Benson	Dicklich	Knutson	Moe, R.D.	Samuelson
Berg	Diessner	Kroening	Morse	Schmitz
Berglin	Frank	Laidig	Novak	Solon
Bernhagen	Frederick	Langseth	Olson	Spear
Bertram	Frederickson, D.J.	Lantry	Pehler	Storm
Brandl	Frederickson, D.R.	Larson	Peterson, D.C.	Stumpf
Brataas	Freeman	Lessard	Peterson, R.W.	Taylor
Chmielewski	Gustafson	Luther	Piper	Vickerman
Cohen	Hughes	Marty	Pogemiller	Waldorf

So the bill passed and its title was agreed to.

H.F. No. 1971: A bill for an act relating to guardianship; permitting appointment of any number of guardians; permitting the appointment of guardians who reside outside the state; amending Minnesota Statutes 1986, sections 525.54, subdivision 1; and 525.544, subdivision 2.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	McQuaid	Purfeerst
Anderson	Davis	Johnson, D.J.	Merriam	Ramstad
Beckman	Decker	Jude	Metzen	Reichgott
Belanger	DeCramer	Knaak	Moe, D.M.	Renneke
Benson	Dicklich	Knutson	Moe, R.D.	Samuelson
Berg	Diessner	Kroening	Morse	Schmitz
Berglin	Frank	Laidig	Novak	Solon
Bernhagen	Frederick	Langseth	Olson	Spear
Bertram	Frederickson, D.J.	Lantry	Pehler	Storm
Brandl	Frederickson, D.R.	Larson	Peterson, D.C.	Stumpf
Brataas	Freeman	Lessard	Peterson, R.W.	Taylor
Chmielewski	Gustafson	Luther	Piper	Vickerman
Cohen	Hughes	Marty	Pogemiller	Waldorf

So the bill passed and its title was agreed to.

H.F. No. 1659: A bill for an act relating to constables; authorizing town boards to form law enforcement agencies; abolishing the office of constable; authorizing the board of peace officer standards and training to issue peace officer licenses to persons possessing constable licenses; amending Minnesota Statutes 1986, sections 367.40, subdivision 3, and by adding a subdivision; and 367.42, subdivision 1, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 367; repealing Minnesota Statutes 1986, sections 367.41, subdivisions 4 and 5; 367.42, subdivision 2; 626.843, subdivision 1a; and 626.845, subdivision 2; and Minnesota Statutes 1987 Supplement, sections 367.03, subdivision 3; and 367.41, subdivision 1.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	McQuaid	Purfeerst
Anderson	Davis	Johnson, D.J.	Merriam	Ramstad
Beckman	Decker	Jude	Metzen	Reichgott
Belanger	DeCramer	Knaak	Moe, D.M.	Renneke
Benson	Dicklich	Knutson	Moe, R.D.	Samuelson
Berg	Diessner	Kroening	Morse	Schmitz
Berglin	Frank	Laidig	Novak	Solon
Bernhagen	Frederick	Langseth	Olson	Spear
Bertram	Frederickson, D.J.	Lantry	Pehler	Storm
Brandl	Frederickson, D.R.	Larson	Peterson, D.C.	Stumpf
Brataas	Freeman	Lessard	Peterson, R.W.	Taylor
Chmielewski	Gustafson	Luther	Piper	Vickerman
Cohen	Hughes	Marty	Pogemiller	Waldorf

So the bill passed and its title was agreed to.

H.F. No. 1844: A bill for an act relating to courts; prescribing when a referee's orders become effective; amending Minnesota Statutes 1986, section 484.70, subdivision 7.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	McQuaid	Reichgott
Anderson	Davis	Johnson, D.J.	Metzen	Renneke
Beckman	Decker	Jude	Moe, R.D.	Samuelson
Belanger	DeCramer	Knaak	Morse	Schmitz
Benson	Dicklich	Knutson	Novak	Solon
Berg	Diessner	Kroening	Olson	Spear
Berglin	Frank	Laidig	Pehler	Storm
Bernhagen	Frederick	Langseth	Peterson, D.C.	Stumpf
Bertram	Frederickson, D.J.	Lantry	Peterson, R.W.	Taylor
Brandl	Frederickson, D.R.	Larson	Piper	Vickerman
Brataas	Freeman	Lessard	Pogemiller	Waldorf
Chmielewski	Gustafson	Luther	Purfeerst	
Cohen	Hughes	Marty	Ramstad	

Mr. Merriam voted in the negative.

So the bill passed and its title was agreed to.

H.F. No. 2340: A bill for an act relating to crime; law enforcement; requiring the reporting of crimes motivated by bias; requiring the peace officer standards and training board to mandate preservice training for peace officers in recognizing, responding to, and reporting crimes of bias; requiring the board to make similar instructional materials available to peace officers for continuing education credit; proposing coding for new law in Minnesota Statutes, chapter 626.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	McQuaid	Ramstad
Anderson	Davis	Johnson, D.J.	Merriam	Reichgott
Beckman	Decker	Jude	Metzen	Renneke
Belanger	DeCramer	Knaak	Moe, D.M.	Samuelson
Benson	Dicklich	Knutson	Moe, R.D.	Schmitz
Berg	Diessner	Kroening	Morse	Solon
Berglin	Frank	Laidig	Novak	Spear
Bernhagen	Frederick	Langseth	Pehler	Storm
Bertram	Frederickson, D.J.	Lantry	Peterson, D.C.	Stumpf
Brandl	Frederickson, D.R.	Larson	Peterson, R.W.	Taylor
Brataas	Freeman	Lessard	Piper	Vickerman
Chmielewski	Gustafson	Luther	Pogemiller	Waldorf
Cohen	Hughes	Marty	Purfeerst	

So the bill passed and its title was agreed to.

H.F. No. 2446: A bill for an act relating to St. Louis county; providing duties of the county board and the county administrator; regulating finances; providing for property assessments; repealing obsolete laws; amending Minnesota Statutes 1986, sections 383C.031; 383C.034; 383C.091; 383C.094, subdivision 1; 383C.131; 383C.133, subdivision 1; 383C.135; 383C.16;

383C.161; 383C.162; 383C.17; 383C.231, subdivision 1; 383C.232; 383C.26; 383C.261; 383C.36; 383C.422; 383C.482, subdivision 1; 383C.74, subdivision 1; 383C.75; and 383C.78, subdivision 2; Minnesota Statutes 1987 Supplement, section 383C.035; proposing coding for new law in Minnesota Statutes, chapter 383C; repealing Minnesota Statutes 1986, section 383C.075; 383C.076; 383C.095; 383C.132; 383C.13; 383C.133; 383C.171; 383C.174; 383C.175; 383C.20; 383C.202; 383C.203; 383C.291; 383C.292; 383C.339; 383C.361; 383C.362; 383C.363; 383C.392, subdivision 2; 383C.423; 383C.424; 383C.45; 383C.481; 383C.52; 383C.521; 383C.523; 383C.55; 383C.551; 383C.552; 383C.553; 383C.554; 383C.555, subdivision 2; 383C.556; 383C.557; 383C.61; 383C.611; 383C.612; 383C.613; 383C.64; 383C.641; 383C.642; 383C.643; 383C.644; 383C.645; 383C.646; 383C.647; 383C.648; 383C.649; 383C.65; 383C.651; 383C.66; 383C.67; 383C.671; 383C.672; 383C.673; 383C.674; 383C.675; 383C.676; 383C.677; 383C.77; 383C.80; 383C.801; 383C.802; 383C.803; 383C.804; and 383C.805; Minnesota Statutes 1987 Supplement, section 383C.76.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	McQuaid	Purfeerst
Anderson	Davis	Johnson, D.J.	Merriam	Ramstad
Beckman	Decker	Jude	Metzen	Reichgott
Belanger	DeCramer	Knaak	Moe, D.M.	Renneke
Benson	Dicklich	Knutson	Moe, R.D.	Samuelson
Berg	Diessner	Kroening	Morse	Schmitz
Berglin	Frank	Laidig	Novak	Solon
Bernhagen	Frederick	Langseth	Olson	Spear
Bertram	Frederickson, D.J.	Lantry	Pehler	Storm
Brandl	Frederickson, D.R.	Larson	Peterson, D.C.	Stumpf
Brataas	Freeman	Lessard	Peterson, R.W.	Taylor
Chmielewski	Gustafson	Luther	Piper	Vickerman
Cohen	Hughes	Marty	Pogemiller	Waldorf

So the bill passed and its title was agreed to.

H.F. No. 1923: A bill for an act relating to civil actions; imposing civil liability for the theft of merchandise and shopping carts; proposing coding for new law in Minnesota Statutes, chapter 332.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Decker	Jude	Metzen	Reichgott
Anderson	DeCramer	Knaak	Moe, D.M.	Renneke
Beckman	Dicklich	Knutson	Moe, R.D.	Samuelson
Belanger	Diessner	Kroening	Morse	Schmitz
Benson	Frank	Laidig	Novak	Solon
Berglin	Frederick	Langseth	Olson	Spear
Bernhagen	Frederickson, D.J.	Lantry	Pehler	Storm
Bertram	Frederickson, D.R.	Larson	Peterson, D.C.	Stumpf
Brataas	Freeman	Lessard	Peterson, R.W.	Taylor
Chmielewski	Gustafson	Luther	Piper	Vickerman
Cohen	Hughes	Marty	Pogemiller	Waldorf
Dahl	Johnson, D.E.	McQuaid	Purfeerst	
Davis	Johnson, D.J.	Merriam	Ramstad	

So the bill passed and its title was agreed to.

S.F. No. 2347: A bill for an act relating to commerce; regulating franchises; modifying the definition of franchise to include certain royalty or residuals agreements; regulating burglar alarm franchises; amending Minnesota Statutes 1986, section 80C.01, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 80C.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	McQuaid	Purfeerst
Anderson	Davis	Johnson, D.J.	Merriam	Ramstad
Beckman	Decker	Jude	Metzen	Reichgott
Belanger	DeCramer	Knaak	Moe, D.M.	Renneke
Benson	Dicklich	Knutson	Moe, R.D.	Samuelson
Berg	Diessner	Kroening	Morse	Schmitz
Berglin	Frank	Laidig	Novak	Solon
Bernhagen	Frederick	Langseth	Olson	Storm
Bertram	Frederickson, D.J.	Lantry	Pehler	Stumpf
Brandl	Frederickson, D.R.	Larson	Peterson, D.C.	Taylor
Brataas	Freeman	Lessard	Peterson, R.W.	Vickerman
Chmielewski	Gustafson	Luther	Piper	Waldorf
Cohen	Hughes	Marty	Pogemiller	

So the bill passed and its title was agreed to.

H.F. No. 1189: A resolution memorializing the United States Congress to amend the Employment Retirement Security Act to permit the direct regulation of self-insured health care plans.

Was read the third time and placed on its final passage.

The question was taken on the passage of the resolution.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	McQuaid	Ramstad
Anderson	Davis	Johnson, D.J.	Merriam	Reichgott
Beckman	Decker	Jude	Metzen	Renneke
Belanger	DeCramer	Knaak	Moe, D.M.	Samuelson
Benson	Dicklich	Knutson	Moe, R.D.	Schmitz
Berg	Diessner	Kroening	Morse	Solon
Berglin	Frank	Laidig	Novak	Spear
Bernhagen	Frederick	Langseth	Olson	Storm
Bertram	Frederickson, D.J.	Lantry	Pehler	Stumpf
Brandl	Frederickson, D.R.	Larson	Peterson, D.C.	Taylor
Brataas	Freeman	Lessard	Piper	Vickerman
Chmielewski	Gustafson	Luther	Pogemiller	Waldorf
Cohen	Hughes	Marty	Purfeerst	

So the resolution passed and its title was agreed to.

H.F. No. 1913: A bill for an act relating to employment; prohibiting employer reprisals against employees who decline to participate in charitable fund drives; proposing coding for new law in Minnesota Statutes, chapter 181.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	McQuaid	Purfeerst
Anderson	Davis	Johnson, D.J.	Merriam	Ramstad
Beckman	Decker	Jude	Metzen	Reichgott
Belanger	DeCramer	Knaak	Moe, D.M.	Renneke
Benson	Dicklich	Knutson	Moe, R.D.	Samuelson
Berg	Diessner	Kroening	Morse	Schmitz
Berglin	Frank	Laidig	Novak	Solon
Bernhagen	Frederick	Langseth	Olson	Spear
Bertram	Frederickson, D.J.	Lantry	Pehler	Storm
Brandl	Frederickson, D.R.	Larson	Peterson, D.C.	Stumpf
Brataas	Freeman	Lessard	Peterson, R.W.	Taylor
Chmielewski	Gustafson	Luther	Piper	Vickerman
Cohen	Hughes	Marty	Pogemiller	Waldorf

So the bill passed and its title was agreed to.

H.F. No. 521: A bill for an act relating to lake improvement districts; providing for notice of their annual meetings; amending Minnesota Statutes 1986, section 378.545, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 378.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	McQuaid	Purfeerst
Anderson	Davis	Johnson, D.J.	Merriam	Ramstad
Beckman	Decker	Jude	Metzen	Reichgott
Belanger	DeCramer	Knaak	Moe, D.M.	Renneke
Benson	Dicklich	Knutson	Moe, R.D.	Samuelson
Berg	Diessner	Kroening	Morse	Schmitz
Berglin	Frank	Laidig	Novak	Solon
Bernhagen	Frederick	Langseth	Olson	Spear
Bertram	Frederickson, D.J.	Lantry	Pehler	Storm
Brandl	Frederickson, D.R.	Larson	Peterson, D.C.	Stumpf
Brataas	Freeman	Lessard	Peterson, R.W.	Taylor
Chmielewski	Gustafson	Luther	Piper	Vickerman
Cohen	Hughes	Marty	Pogemiller	Waldorf

So the bill passed and its title was agreed to.

H.F. No. 1710: A bill for an act relating to crime; prohibiting the display of sexually explicit material deemed harmful to minors in places of public accommodation open to minors; providing a penalty; amending Minnesota Statutes 1986, sections 617.293; and 617.296, subdivision 1, and by adding a subdivision.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	McQuaid	Renneke
Anderson	Davis	Johnson, D.I.	Metzen	Samuelson
Beckman	Decker	Jude	Moe, D.M.	Schmitz
Belanger	DeCramer	Knaak	Moe, R.D.	Solon
Benson	Dicklich	Knutson	Morse	Storm
Berg	Diessner	Kroening	Novak	Stumpf
Berglin	Frank	Laidig	Olson	Taylor
Bernhagen	Frederick	Langseth	Pehler	Vickerman
Bertram	Frederickson, D.J.	Lantry	Peterson, D.C.	Waldorf
Brandl	Frederickson, D.R.	Larson	Piper	
Brataas	Freeman	Lessard	Purfeerst	
Chmielewski	Gustafson	Luther	Ramstad	
Cohen	Hughes	Marty	Reichgott	

Mr. Spear voted in the negative.

So the bill passed and its title was agreed to.

H.F. No. 1277: A bill for an act relating to transportation; providing for state park road account funds to be used for lake access roads; amending Minnesota Statutes 1986, section 162.06, subdivision 5.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.J.	Merriam	Ramstad
Anderson	Davis	Jude	Metzen	Reichgott
Beckman	Decker	Knaak	Moe, D.M.	Renneke
Belanger	DeCramer	Knutson	Moe, R.D.	Samuelson
Benson	Dicklich	Kroening	Morse	Schmitz
Berg	Frank	Laidig	Novak	Solon
Berglin	Frederick	Langseth	Olson	Spear
Bernhagen	Frederickson, D.J.	Lantry	Pehler	Storm
Bertram	Frederickson, D.R.	Larson	Peterson, D.C.	Stumpf
Brandl	Freeman	Lessard	Peterson, R.W.	Taylor
Brataas	Gustafson	Luther	Piper	Vickerman
Chmielewski	Hughes	Marty	Pogemiller	Waldorf
Cohen	Johnson, D.E.	McQuaid	Purfeerst	

So the bill passed and its title was agreed to.

S.F. No. 1987: A bill for an act relating to state government; requiring the commissioner of employee relations to study the use of part-time employees in the executive branch work force; requiring a report.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 51 and nays 9, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Langseth	Novak	Schmitz
Beckman	Diessner	Lantry	Olson	Solon
Belanger	Frank	Lessard	Pehler	Spear
Bertram	Frederickson, D.J.	Luther	Peterson, D.C.	Storm
Brandl	Frederickson, D.R.	Marty	Peterson, R.W.	Stumpf
Chmielewski	Freeman	McQuaid	Piper	Vickerman
Cohen	Johnson, D.E.	Merriam	Pogemiller	Waldorf
Dahl	Johnson, D.I.	Metzen	Purfeerst	
Davis	Jude	Moe, D.M.	Reichgott	
Decker	Kroening	Moe, R.D.	Renneke	
DeCramer	Laidig	Morse	Samuelson	

Those who voted in the negative were:

Anderson Benson	Berg Bernhagen	Frederick Knaak	Knutson Larson	Ramstad
--------------------	-------------------	--------------------	-------------------	---------

So the bill passed and its title was agreed to.

H.F. No. 1469: A bill for an act relating to traffic regulations; providing for restrictions on vehicles transporting firewood on highways; amending Minnesota Statutes 1986, sections 169.80, subdivision 1; and 169.81, by adding a subdivision.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Decker	Jude	Moe, D.M.	Renneke
Anderson	DeCramer	Knaak	Moe, R.D.	Samuelson
Beckman	Dicklich	Knutson	Morse	Schmitz
Benson	Diessner	Kroening	Novak	Solon
Berg	Frank	Laidig	Olson	Spear
Berglin	Frederick	Langseth	Pehler	Storm
Bernhagen	Frederickson, D.J.	Lantry	Peterson, D.C.	Stumpf
Bertram	Frederickson, D.R.	Larson	Peterson, R.W.	Taylor
Brandl	Freeman	Lessard	Piper	Vickerman
Brataas	Gustafson	Marty	Pogemiller	Waldorf
Chmielewski	Hughes	McQuaid	Purfeerst	
Dahl	Johnson, D.E.	Merriam	Ramstad	
Davis	Johnson, D.J.	Metzen	Reichgott	

Mr. Belanger voted in the negative.

So the bill passed and its title was agreed to.

H.F. No. 2265: A bill for an act relating to natural resources; correcting certain provisions for net size for the taking of ciscoes; amending Minnesota Statutes 1986, section 97C.805, subdivision 2.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 54 and nays 9, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Knutson	Metzen	Reichgott
Anderson	Decker	Kroening	Moe, D.M.	Renneke
Beckman	Diessner	Laidig	Moe, R.D.	Samuelson
Belanger	Frederick	Langseth	Morse	Schmitz
Benson	Frederickson, D.J.	Lantry	Novak	Solon
Berg	Frederickson, D.R.	Larson	Olson	Spear
Berglin	Freeman	Lessard	Peterson, D.C.	Storm
Bernhagen	Gustafson	Luther	Peterson, R.W.	Stumpf
Bertram	Johnson, D.E.	Marty	Piper	Vickerman
Brataas	Jude	McQuaid	Purfeerst	Waldorf
Chmielewski	Knaak	Merriam	Ramstad	

Those who voted in the negative were:

Brandl	Davis	Dicklich	Johnson, D.J.	Pogemiller
Dahl	DeCramer	Frank	Pehler	

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Moe, R.D. moved that H.F. No. 2126 be taken from the table. The motion prevailed.

H.F. No. 2126: A bill for an act relating to the organization and operation of state government; appropriating money for human resources and other purposes with certain conditions; amending Minnesota Statutes 1986, sections 3.9223, subdivision 3; 3.9225, subdivision 3; 3.9226, subdivision 3; 62A.54; 62E.04, by adding subdivisions; 129A.02, subdivision 3; 129A.09; 129A.10; 144.053, by adding subdivisions; 144.125; 144A.04, by adding a subdivision; 145.853, subdivision 2; 145.894; 245.771, by adding a subdivision; 245.814, subdivisions 1, 2, and 3; 245.83; 245.84, subdivision 1; 246.023; 248.07, subdivision 7 and 12; 252.291, subdivisions 1 and 2; 256.73, subdivisions 2, 6, and by adding subdivisions; 256.736, by adding subdivisions; 256.76, subdivision 1; 256B.08; 256B.092, subdivisions 5 and 7; 256B.14, subdivision 2; 256B.17, subdivision 7; 256B.431, by adding subdivisions; 256B.501, subdivision 3, and by adding subdivisions; 256B.69, subdivisions 3 and 4; 256D.02, subdivision 7, and by adding a subdivision; 256D.06, by adding a subdivision; 256D.07; 256D.35, by adding a subdivision; 256D.37, subdivision 2, and by adding subdivisions; 256E.12, subdivisions 1 and 2; 256E.03, subdivision 8; 257.071, subdivisions 2 and 3, and by adding a subdivision; 257.072; 260.181, subdivision 3; 268.0111, by adding a subdivision; 268.911, subdivision 3; 326.371; 462A.05, by adding a subdivision; 462A.21, by adding a subdivision; 609.72, subdivision 1; 611A.32, by adding a subdivision; Minnesota Statutes 1987 Supplement, sections 3.922, subdivision 6; 16B.08, subdivision 7; 16B.61, subdivision 3; 62A.152, subdivision 2; 62A.48, subdivision 7; 62A.50, subdivision 3; 62D.102; 129A.01, subdivisions 5, 6, and 7; 129A.03; 129A.06, subdivision 1; 129A.07, subdivision 1; 129A.08, subdivisions 1, 4, and 5, and by adding subdivisions; 144A.071, subdivision 3; 144A.073, subdivisions 1, 2, 7, and 8; 148B.23, subdivision 1; 148B.42, subdivision 1; 245.462, subdivisions 3, 4, 6, 17, 18, 19, 20, 21, 23, and 25; 245.465; 245.466, subdivisions 1, 2, and 5; 245.467, by adding subdivisions; 245.469, subdivision 2; 245.471, subdivisions 2 and 3; 245.472, subdivision 2; 245.475, subdivisions 1 and 2; 245.476, subdivision 1; 245.477; 245.478, subdivisions 1, 2, and 9; 245.479; 245.482, subdivision 2; 245.696, subdivision 2; 245.697, subdivision 2, and by adding a subdivision; 245A.09, by adding a subdivision; 248.07, subdivision 8; 252.291, subdivision 3; 252.46, subdivisions 5 and 6, and by adding subdivisions; 253B.03, subdivision 6; 256.015, subdivision 2; 256.736, subdivisions 1b, 4, and 11; 256.936; 256.969, subdivision 3; 256B.02, subdivision 8; 256B.031, subdivision 5; 256B.042, subdivision 2; 256B.06, subdivisions 1 and 4; 256B.091, subdivision 4; 256B.35, subdivision 1; 256B.431, subdivision 4; 256B.433, subdivision 1; 256B.501, subdivision 1; 256B.73, subdivision 2, and by adding a subdivision; 256D.01, subdivision 1a; 256D.03, subdivision 3; 256D.06, subdivisions 1 and 1b; 256D.37, subdivision 1; 256E.12, subdivision 3; 268.91, subdivisions 1, 3, 3b, 3c, 3e, 4, and 12; 393.07, subdivision 10, and by adding a subdivision; Laws 1984, chapter 654, article 5, section 57, subdivision 1, as amended; Laws 1987, chapter 337, section 131; Laws 1987, chapter 403, article 2, section 34; Laws 1987, chapter 403, article 4, section 13; Laws 1987, chapter 403, article 1, section 4, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 62A; 62C; 62D; 144; 145; 152A; 157; 179A; 245; 246; 252; 256; 256B; 256H; 257; and 268; repealing Minnesota Statutes 1986, sections 136.26; 144.388; 245.84, subdivision 4; 245.86; 245.87; and 257.071, subdivision

6; Minnesota Statutes 1987 Supplement, sections 129A.01, subdivision 8; 129A.07, subdivision 2; 129A.08, subdivision 3; 148B.04, subdivision 1; and 256B.73, subdivision 10.

SUSPENSION OF RULES

Mr. Moe, R.D. moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 2126 and that the rules of the Senate be so far suspended as to give H.F. No. 2126 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 2126 was read the second time.

Mr. Samuelson moved to amend H.F. No. 2126 as follows:

Delete everything after the enacting clause, and delete the title, of H.F. No. 2126, and insert the language after the enacting clause, and the title, of S.F. No. 2568, as introduced.

The motion prevailed. So the amendment was adopted.

Mr. Johnson, D.E. moved to amend H.F. No. 2126, as amended by the Senate March 29, 1988, as follows:

(The text of the amended House File is identical to S.F. No. 2568.)

Page 4, delete lines 36 to 41 and insert:

“Of this appropriation, \$200,000 must be transferred to the state planning agency to provide a grant of \$25,000 to each regional treatment center community task force to develop a plan for the future use of the regional treatment center.”

Page 63, line 13, delete “FARIBAULT” and after “CENTER” insert “TASK FORCES”

Page 63, line 15, delete “13-member”

Page 63, line 16, delete “the Faribault” and insert “each”

Page 63, line 18, delete “Faribault” and insert “the”

Page 63, line 19, delete “Faribault” in both places and delete “institute” and insert “institutes”

Page 63, line 20, delete everything after the first comma and insert “the city and”

Page 63, line 21, delete everything after the first “county” and insert “in which the regional center is located, local hospitals,”

Page 63, line 24, delete “a Faribault” and insert “each”

Page 63, line 26, delete “Faribault” and insert “the”

Page 63, line 32, delete “The Faribault” and insert “Each”

Page 63, line 36, delete “Faribault” and insert “each”

Correct the subdivision and section totals and the summaries by fund accordingly

The motion did not prevail. So the amendment was not adopted.

Mr. Frederickson, D.R. moved to amend H.F. No. 2126, as amended by the Senate March 29, 1988, as follows:

(The text of the amended House File is identical to S.F. No. 2568.)

Page 63, line 31, after the period, insert "*The task force must not consider or recommend that the regional treatment center be used to provide new or expanded services of a type currently provided by another regional treatment center.*"

The motion did not prevail. So the amendment was not adopted.

Mr. Renneke moved to amend H.F. No. 2126, as amended by the Senate March 29, 1988, as follows:

(The text of the amended House File is identical to S.F. No. 2568.)

Page 32, line 32, delete "*in Silver Bay*"

Page 32, lines 33 and 34, delete "*owned by the city of Silver Bay if the city donates the building*" and insert "*donated by a municipality or other local governmental entity*"

Page 33, lines 3 and 4, delete "*The city of Silver Bay shall secure*"

Page 33, line 4, after "*requirement*" insert "*must be secured*"

The motion did not prevail. So the amendment was not adopted.

Mr. Jude moved to amend H.F. No. 2126, as amended by the Senate March 29, 1988, as follows:

(The text of the amended House File is identical to S.F. No. 2568.)

Page 15, after line 10, insert:

"Sec. 9. Minnesota Statutes 1986, section 144.12, is amended by adding a subdivision to read:

Subd. 4. [DEADLY INFECTIOUS DISEASES.] The commissioner shall prevent any business from facilitating sexual practices which transmit deadly infectious diseases."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 39 and nays 18, as follows:

Those who voted in the affirmative were:

Adkins	Chmielewski	Gustafson	McQuaid	Schmitz
Anderson	Dahl	Johnson, D.E.	Mehrkens	Storm
Beckman	Decker	Jude	Metzen	Stumpf
Belanger	DeCramer	Knaak	Morse	Taylor
Benson	Frank	Kroening	Olson	Vickerman
Berg	Frederickson, D.J.	Laidig	Ramstad	Waldorf
Bernhagen	Frederickson, D.R.	Langseth	Reichgott	Wegscheid
Bertram	Freeman	Larson	Renneke	

Those who voted in the negative were:

Berglin
Brandl
Brataas
Dicklich

Diessner
Johnson, D.J.
Knutson
Lantry

Marty
Merriam
Moe, D.M.
Peterson, D.C.

Peterson, R.W.
Piper
Pogemiller
Purfeerst

Samuelson
Spear

The motion prevailed. So the amendment was adopted.

Mr. Frederickson, D.R. moved to amend H.F. No. 2126, as amended by the Senate March 29, 1988, as follows:

(The text of the amended House File is identical to S.F. No. 2568.)

Page 23, line 17, delete "or"

Page 23, line 27, after "requirements" insert "; or

(q) to license or certify as new nursing home beds up to one-half of the existing licensed hospital beds in a hospital that on March 1, 1988, had less than ten beds licensed under sections 144.50 to 144.56 and is located in a city with less than 750 residents and a county with less than 30,000 residents. The beds cannot be licensed or certified if a skilled nursing care facility located within the county objects. A hospital seeking licensing or certification of new beds under this exception shall notify each skilled nursing care facility located within the county by serving a copy of the completed license application on each facility at the same time it submits the application to the commissioner of health. A skilled nursing facility that objects to licensing or certification of the new beds must submit its written objections to the commissioner of health within 30 days after receiving a copy of the application"

CALL OF THE SENATE

Mr. Merriam imposed a call of the Senate for the balance of the proceedings on H.F. No. 2126. The Sergeant at Arms was instructed to bring in the absent members.

The question recurred on the Frederickson, D.R. amendment. The motion did not prevail. So the amendment was not adopted.

Mr. Benson moved to amend H.F. No. 2126, as amended by the Senate March 29, 1988, as follows:

(The text of the amended House File is identical to S.F. No. 2568.)

Page 16, after line 13, insert:

"Sec. 11. Minnesota Statutes 1986, section 144.651, is amended by adding a subdivision to read:

Subd. 4a. [ASSET TRANSFER NOTICE.] When a person is admitted into a nursing home or extended care facility, the nursing home or facility shall give the person a copy of the notice required in section 103 regarding the person's rights to transfer liquid assets to the person's noninstitutionalized spouse in order to qualify for medical assistance under chapter 256B. The health care facility also shall give the person the name, business address, and telephone number of at least one employee of the state or county agency who is responsible for administering the transfer of liquid assets for qualified persons under section 256B.17, subdivision 7, and sections 102 and 103."

Page 100, line 12, strike "\$10,000" and insert "\$25,000"

Page 101, after line 10, insert:

"Sec. 101. Minnesota Statutes 1986, section 256B.17, subdivision 7, is amended to read:

Subd. 7. [EXCEPTION FOR ASSET TRANSFERS.] Notwithstanding the provisions of subdivisions 1 to 6, an institutionalized spouse who applies for medical assistance on or after July 1, 1983, may transfer liquid assets to a noninstitutionalized spouse without loss of eligibility ~~if all of~~. *The liquid assets transferred to the noninstitutionalized spouse are not considered available to the institutionalized spouse for purposes of determining eligibility or for future medical support. The noninstitutionalized spouse has no duty of future medical support of the institutionalized spouse from those transferred liquid assets, except as required by section 256B.14, subdivision 2.* The following conditions apply:

(a) the noninstitutionalized spouse is not applying for or receiving assistance;

(b) the noninstitutionalized spouse has less than ~~\$10,000~~ \$25,000 in liquid assets, including assets singly owned and 50 percent of assets owned jointly with the institutionalized spouse;

(c) ~~The amount transferred, together with the noninstitutionalized spouse's own assets, totals no more than \$10,000 in liquid assets;~~ and

(d) The transfer may be effected only once, at the time of initial medical assistance application; and

(e) *The transfer must meet the requirements in section 102.*

Sec. 102. Minnesota Statutes 1986, section 256B.17, is amended by adding a subdivision to read:

Subd. 7a. [ASSET TRANSFER REQUIREMENTS.] *If an institutionalized spouse chooses to transfer liquid assets to the noninstitutionalized spouse under subdivision 7, the transfer must be as follows:*

(a) *If the liquid assets have a value of less than \$25,000, they must be transferred so that the noninstitutionalized spouse has sole ownership of the transferred liquid assets.*

(b) *If the liquid assets have a value of at least \$25,000, but less than \$50,000, they must be transferred so that the noninstitutionalized spouse has sole ownership of the value of \$25,000 of the transferred liquid assets.*

(c) *If the liquid assets have a value of \$50,000 or more, they must be transferred so that the noninstitutionalized spouse has sole ownership of the liquid assets having one-half the value of the transferred liquid assets.*

(d) *At the time of initial medical assistance application, the institutionalized spouse and the noninstitutionalized spouse shall sign a notice of intent to transfer liquid assets under section 256B.17, subdivision 7, and file the notice of intent with the county agency. The transfer applies to liquid assets owned on the date the notice of intent is filed.*

(e) *Within 90 days after the notice of intent is filed, or within the additional time the state agency allows, the institutionalized spouse and the noninstitutionalized spouse, or their representatives, shall file with the county agency evidence of the transfer of liquid assets. The transfer is effective on the date of initial application if evidence of the transfer is filed within the allowed time period.*

Sec. 103. Minnesota Statutes 1986, section 256B.17, is amended by adding a subdivision to read:

Subd. 7b. [ASSET TRANSFER NOTICE.] When a person applies for medical assistance, the state agency shall give the person and the person's spouse, or their personal representatives, if any, a clear and simple written notice:

(1) that an institutionalized spouse may transfer liquid assets to the noninstitutionalized spouse as provided in subdivision 7 and section 102; and

(2) that the transferred liquid assets are not considered in determining eligibility for medical assistance for the institutionalized spouse and that the noninstitutionalized spouse is not required to use the transferred liquid assets to contribute to future medical support for the institutionalized spouse except as required by section 256B.14, subdivision 2.

The state agency shall give copies of the written notice to extended care facilities and nursing homes, for distribution to persons being admitted.

Sec. 104. Minnesota Statutes 1986, section 256B.17, is amended by adding a subdivision to read:

Subd. 7c. [AGENCY REPORT.] Upon three years after the effective date of sections 11 and 101 to 103, the state agency shall report to the legislature on the number of persons who have transferred their liquid assets under subdivision 7 and section 102, the cost to the state, and the effectiveness of the allowance of such transfers."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 26 and nays 38, as follows:

Those who voted in the affirmative were:

Anderson	Decker	Knutson	Mehrkens	Taylor
Belanger	Frederick	Kroening	Metzen	Vickerman
Benson	Frederickson, D.R.	Laidig	Morse	
Berg	Gustafson	Larson	Olson	
Bernhagen	Johnson, D.E.	Lessard	Ramstad	
Brataas	Knaak	McQuaid	Storm	

Those who voted in the negative were:

Adkins	Davis	Jude	Pehler	Schmitz
Beckman	DeCramer	Langseth	Peterson, D.C.	Solon
Berglin	Dicklich	Lantry	Peterson, R.W.	Spear
Bertram	Diessner	Marty	Piper	Stumpf
Brandl	Frank	Merriam	Pogemiller	Waldorf
Chmielewski	Frederickson, D.J.	Moe, D.M.	Purfeerst	Wegscheid
Cohen	Freeman	Moe, R.D.	Reichgott	
Dahl	Johnson, D.J.	Novak	Samuelson	

The motion did not prevail. So the amendment was not adopted.

H.F. No. 2126 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Gustafson	Marty	Piper
Anderson	Dahl	Johnson, D.E.	McQuaid	Ramstad
Beckman	Davis	Johnson, D.J.	Mehrkens	Reichgott
Belanger	Decker	Jude	Merriam	Renneke
Benson	DeCramer	Knaak	Metzen	Samuelson
Berg	Dicklich	Knutson	Moe, R.D.	Schmitz
Berglin	Diessner	Kroening	Morse	Spear
Bernhagen	Frank	Laidig	Novak	Storm
Bertram	Frederick	Langseth	Olson	Stumpf
Brandl	Frederickson, D.J.	Lantry	Pehler	Taylor
Brataas	Frederickson, D.R.	Larson	Peterson, D.C.	Vickerman
Chmielewski	Freeman	Lessard	Peterson, R.W.	Waldorf

So the bill, as amended, passed and its title was agreed to.

Mr. Samuelson moved that S.F. No. 2568, on General Orders, be stricken and laid on the table. The motion prevailed.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

S.F. No. 1861: Mr. Pehler, Ms. Berglin and Mr. Brandl.

S.F. No. 2565: Messrs. Langseth, Mehrkens, Wegscheid, Metzen and Purfeerst.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

SUSPENSION OF RULES

Mr. Moe, R.D. moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to S.F. No. 2569 and that the rules of the Senate be so far suspended as to give S.F. No. 2569, now on General Orders, its third reading and place it on its final passage. The motion prevailed.

S.F. No. 2569: A bill for an act relating to education; appropriating money to the higher education coordinating board, regents of the University of Minnesota, state university board, state board for community colleges, and state board of vocational technical education, with certain conditions; authorizing bonding for capital improvements; amending Minnesota Statutes 1986, sections 3.971, subdivision 1; 92.05; 136.31, by adding a subdivision; and 136.41, by adding subdivisions; 248.07, subdivisions 7 and 12; Minnesota Statutes 1987 Supplement, section 248.07, subdivision 8; Laws 1983, chapter 334, section 7, as amended; and Laws 1987, chapter 401, section 2, subdivision 6; proposing coding for new law in Minnesota Statutes, chapters 135A and 137; repealing Minnesota Statutes 1986, sections 136.26; and 136C.13, subdivision 3.

Mr. Knaak moved to amend S.F. No. 2569 as follows:

Page 5, line 35, delete "Council" and insert "Task Force"

Page 5, delete lines 37 to 52 and insert:

"A task force shall be established to review state governance of technical institutes, merging community colleges with technical institutes and formation of intermediate school districts throughout the state. The task force shall evaluate advantages and disadvantages of governance options and shall develop implementation procedures. The advisory task force shall be appointed by the chairs of the senate education committee, the house of representatives higher education committee, the house of representatives higher education appropriations division, and the senate higher education finance division. Members shall include: one legislator from each higher education committee and division;"

Page 5, line 53, delete everything before "two"

Page 6, line 3, after the first semicolon, insert "a member from the department of employee relations;"

Page 6, line 8, delete "council" and insert "advisory task force"

Page 6, line 9, delete "recommended procedures" and insert "findings and recommendations"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 35 and nays 23, as follows:

Those who voted in the affirmative were:

Anderson	Davis	Gustafson	Marty	Peterson, D.C.
Belanger	Decker	Knaak	McQuaid	Purfeerst
Benson	Diessner	Knutson	Mehrkens	Ramstad
Berg	Frank	Kroening	Merriam	Reichgott
Berglin	Frederick	Laidig	Morse	Storm
Bernhagen	Frederickson, D.R.	Larson	Olson	Vickerman
Dahl	Freeman	Lessard	Pehler	Wegscheid

Those who voted in the negative were:

Adkins	Cohen	Johnson, D.J.	Peterson, R.W.	Stumpf
Beckman	DeCramer	Jude	Piper	Taylor
Bertram	Dicklich	Lantry	Pogemiller	Waldorf
Brandl	Frederickson, D.J.	Luther	Samuelson	
Brataas	Johnson, D.E.	Metzen	Schmitz	

The motion prevailed. So the amendment was adopted.

Ms. Peterson, D.C. moved to amend S.F. No. 2569 as follows:

Pages 11 and 12, delete section 13

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 29 and nays 32, as follows:

Those who voted in the affirmative were:

Beckman	Frederick	Larson	Morse	Pogemiller
Berg	Frederickson, D.I.	Lessard	Novak	Renneke
Berglin	Freeman	McQuaid	Olson	Spear
Davis	Jude	Merriam	Pehler	Vickerman
Diessner	Knaak	Metzen	Peterson, D.C.	Wegscheid
Frank	Knutson	Moe, D.M.	Peterson, R.W.	

Those who voted in the negative were:

Adkins	Brataas	Gustafson	Luther	Storm
Anderson	Chmielewski	Hughes	Marty	Stumpf
Belanger	Cohen	Johnson, D.E.	Mehrkens	Taylor
Benson	Dahl	Kroening	Piper	Waldorf
Bernhagen	Decker	Laidig	Ramstad	
Bertram	DeCramer	Langseth	Reichgott	
Brandl	Frederickson, D.R.	Lantry	Schmitz	

The motion did not prevail. So the amendment was not adopted.

Mr. Ramstad moved to amend S.F. No. 2569 as follows:

Page 6, after line 10, insert:

“(f) Regent Candidate Search Commission

\$50,000

This appropriation is for expenses of the regent candidate search commission and for support services provided by the higher education coordinating board.”

Pages 11 and 12, delete section 13 and insert:

“Sec. 13. [137.0242] [REGENT CANDIDATE SEARCH COMMISSION.]

Subdivision 1. [ESTABLISHMENT.] There is established a candidate search commission to assist the legislature in identifying qualified candidates for membership on the board of regents.

Subd. 2. [MEMBERSHIP.] The commission must be composed of 24 members, three of whom reside in each congressional district. One member from each congressional district must be appointed by the governor. One member from each congressional district must be appointed by the speaker of the house of representatives. One member from each congressional district must be appointed by the subcommittee on committees of the committee on rules and administration of the senate. Each member shall serve for a term of six years and may serve one additional term. Section 15.0575, subdivisions 4 and 5, apply to vacancies in the commission. Members may be reimbursed for expenses according to section 15.0575 but must not be compensated.

Subd. 3. [DUTIES.] The commission shall:

(1) in consultation with current and former regents and the administration of the University of Minnesota, research, adopt, and publish the qualifications for a regent;

(2) develop, in consultation with current and former regents and the administration of the University of Minnesota, and provide to potential candidates a statement of the responsibilities of a regent;

(3) establish a subcommittee for each congressional district, composed of the three commission members residing in the congressional district and

other members appointed by the subcommittee, and encourage each subcommittee to use the commission's qualifications to identify qualified candidates within its congressional district;

(4) for each congressional district position on the board, identify and recruit, through the subcommittee established in clause (3), qualified candidates for the board of regents, based on the commission's qualifications, the background and experience of the candidates, and their potential for discharging the responsibilities of a member of the board of regents; and

(5) for each at-large position on the board, including the student position, identify and recruit qualified candidates, based on the commission's qualifications, the background and experience of the candidates, and their potential for discharging the responsibilities of a member of the board of regents.

Subd. 4. [RECOMMENDATIONS.] At the time the legislature elects a regent, the commission shall recommend two or three qualified candidates to the appropriate committees of the legislature. For a candidate required to reside in a congressional district, the commission shall recommend only a candidate recommended by the subcommittee.

Subd. 5. [STAFF] The higher education coordinating board shall provide staff and support for the commission as necessary to discharge its responsibilities."

Page 16, after line 8, insert:

"Sec. 20. [INITIAL TERMS FOR REGENT CANDIDATE SEARCH COMMISSION.]

Notwithstanding section 13, subdivision 2, for the initial commission, one member appointed by each of the appointing authorities shall serve a two-year term, one member shall serve a four-year term, and one member shall serve a six-year term."

Page 16, line 11, after the period, insert "*Section 20 is repealed June 30, 1989.*"

Correct the subdivision and section totals and the summaries by fund accordingly

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 15 and nays 44, as follows:

Those who voted in the affirmative were:

Anderson	Bernhagen	Frederick	Mehrkens	Storm
Belanger	Decker	Laidig	Ramstad	Taylor
Benson	Diessner	Larson	Reichgott	Vickerman

Those who voted in the negative were:

Adkins	Davis	Johnson, D.J.	McQuaid	Peterson, D.C.
Beckman	DeCramer	Jude	Merriam	Peterson, R.W.
Berglin	Dicklich	Knaak	Metzen	Piper
Bertram	Frank	Knutson	Moe, D.M.	Pogemiller
Brandl	Frederickson, D.J.	Kroening	Moe, R.D.	Renneke
Brataas	Freeman	Langseth	Morse	Schmitz
Chmielewski	Gustafson	Lantry	Novak	Spear
Cohen	Hughes	Lessard	Olson	Waldorf
Dahl	Johnson, D.E.	Marty	Pehler	

The motion did not prevail. So the amendment was not adopted.

S.F. No. 2569 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 60 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Jude	Merriam	Purfeerst
Anderson	Dahl	Knaak	Metzen	Ramstad
Beckman	Davis	Knutson	Moe, D.M.	Reichgott
Belanger	Decker	Kroening	Moe, R.D.	Renneke
Benson	DeCramer	Laidig	Morse	Samuelson
Berg	Dicklich	Langseth	Novak	Schmitz
Berglin	Diessner	Lantry	Olson	Spear
Bernhagen	Frederick	Larson	Pehler	Storm
Bertram	Frederickson, D.J.	Lessard	Peterson, D.C.	Stumpf
Brandl	Freeman	Marty	Peterson, R.W.	Taylor
Brataas	Johnson, D.E.	McQuaid	Piper	Vickerman
Chmielewski	Johnson, D.J.	Mehrkens	Pogemiller	Waldorf

Mr. Frank voted in the negative.

So the bill, as amended, passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

RECONSIDERATION

Mr. Wegscheid moved that the vote whereby H.F. No. 1749 failed to pass the Senate on March 28, 1988, be now reconsidered. The motion prevailed.

H.F. No. 1749: A bill for an act relating to transportation; increasing the tax on gasoline and special fuel to 20 cents per gallon; increasing the share of motor vehicle excise tax revenues dedicated to highways and transit to 35 percent; amending Minnesota Statutes 1986, section 296.02, subdivision 1b; and Minnesota Statutes 1987 Supplement, sections 296.025, subdivisions 2a and 2b; and 297B.09, subdivision 1.

Mr. Moe, R.D. moved that H.F. No. 1749 be laid on the table. The motion prevailed.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1783 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1783: A bill for an act relating to motor vehicles; requiring mandatory annual inspection of motor vehicle emission control equipment on vehicles registered in the metropolitan area; prescribing powers and duties of the pollution control agency and the department of public safety;

imposing fees for inspection; prescribing penalties; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116.

Mr. Diessner moved to amend S.F. No. 1783 as follows:

Page 2, after line 33, insert:

“(d) The inspection requirement applies to a motor vehicle registered to an owner who resides outside the metropolitan area if it is used to provide transportation to a place of employment located in the metropolitan area, as provided in this paragraph. It is a condition of being employed in the metropolitan area that the employee’s vehicle be inspected annually. Employers located in the metropolitan area shall require each employee who resides outside the metropolitan area to file with the employer a copy of a certificate of compliance or waiver or evidence that the employee does not own a motor vehicle.”

The motion did not prevail. So the amendment was not adopted.

Mr. DeCramer moved to amend S.F. No. 1783 as follows:

Page 1, after line 11, insert:

“Section 1. Minnesota Statutes 1987 Supplement, section 41A.09, subdivision 5, is amended to read:

Subd. 5. [EXPIRATION.] This section ~~expires July 1, 2000~~ *is repealed on February 16, 1995*, and all money in the fund on that date reverts to the general fund.”

Page 8, line 3, delete the first “3” and insert “4”

Page 8, after line 5, insert:

“Sec. 8. Minnesota Statutes 1986, section 296.02, subdivision 7, is amended to read:

Subd. 7. [TAX REDUCTION FOR AGRICULTURAL ALCOHOL GASOLINE.] A distributor shall be allowed a credit on each gallon of fuel grade alcohol commercially blended with gasoline or blended in a tank truck with gasoline on which the tax imposed by subdivision 1 is due and payable. The amount of the credit for every gallon of fuel-grade alcohol blended with gasoline to produce agricultural alcohol gasoline is as follows:

(a) ~~For the fiscal year ending June 30, 1987, 25 cents.~~

~~(b) On and after July 1, 1987, 20 cents.~~

(b) On and after January 1, 1991, 10 cents.

The credit allowed a distributor must not exceed the total tax liability under subdivision 1. The tax credit received by a distributor on alcohol blended with motor fuels shall be passed on to the retailer.

Sec. 9. Minnesota Statutes 1986, section 296.02, subdivision 8, is amended to read:

Subd. 8. [TAX REDUCTION FOR AGRICULTURAL ALCOHOL GASOLINE SOLD IN BULK TO GOVERNMENT OR FOR SCHOOL TRANSPORTATION.] A distributor shall be allowed a credit of ~~80~~ 40 cents for every gallon of fuel grade alcohol blended with gasoline to produce agricultural alcohol gasoline which is sold in bulk to the state, local units of government, or for use in the transportation of pupils to and from school-related events in school vehicles. This reduction is in lieu of the reductions

provided in subdivision 7.

Sec. 10. Minnesota Statutes 1986, section 296.16, is amended by adding a subdivision to read:

Subd. 1a. [MINIMUM OXYGEN CONTENT.] (a) Unleaded gasoline with an octane rating of 90 or less may not be sold in this state for use in motor vehicles unless it is a gasoline blend consisting of 3.5 percent oxygen content by weight.

(b) The requirement of paragraph (a) applies to the metropolitan area, as defined in section 473.121, on and after January 1, 1991.

(c) The requirement of paragraph (a) applies to all statutory and home rule charter cities with a population of 50,000 or more, on and after January 1, 1993.

(d) The requirement of paragraph (a) applies to the entire state on and after January 1, 1995.

Sec. 11. [RECOMMENDATION OF AN OXYGENATED FUEL.]

By January 1, 1989, the commissioners of the departments of agriculture, transportation, and public service, and the pollution control agency shall recommend to the legislature a specific oxygenated fuel and a formula for combining that fuel with gasoline, to meet the requirement imposed by section 10. In selecting the recommended fuel, the following must be considered:

(1) the goals of improving air quality in Minnesota and meeting federal air quality standards;

(2) the impact of federal legislation imposing a requirement that gasoline be blended with oxygenated fuel;

(3) the possibility of a reduced need for an inspection and maintenance program;

(4) the effect on engine use and wear of the various oxygenated fuels, and the impact of their use on the warranties of motor vehicles, and other gasoline-powered internal combustion engines;

(5) the energy efficiency of the various fuels;

(6) the physical feasibility of blending the fuels with gasoline;

(7) the current and potential availability of each oxygenated fuel from sources in Minnesota;

(8) the effect on the highway user tax distribution fund; and

(9) other relevant matters.

Sec. 12. [REPEALER.]

Minnesota Statutes 1986, section 296.02, subdivisions 7 and 8, are repealed effective January 1, 1993."

Page 8, line 7, delete "3" and insert "4"

Page 8, line 24, after "1" insert ", 2" and delete "3 to 9" and insert "4 to 14"

Page 8, line 25, delete "2" and insert "3"

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "providing earlier date for elimination of subsidies for ethanol development; reducing tax credit for agricultural alcohol gasoline; requiring gasoline sold for use in motor vehicles to contain oxygenated fuel; requiring the commissioners of agriculture, pollution control agency, transportation, and public service to report to the legislature on oxygenated fuel; repealing tax credit for agricultural alcohol gasoline;"

Page 1, line 8, after the semicolon, insert "amending Minnesota Statutes 1986, sections 296.02, subdivisions 7 and 8; and 296.16, by adding a subdivision; Minnesota Statutes 1987 Supplement, section 41A.09, subdivision 5;"

Page 1, line 9, before the period, insert "; repealing Minnesota Statutes 1986, section 296.02, subdivisions 7 and 8"

Mr. Knaak questioned whether the amendment was germane. The President ruled the amendment was not germane.

S.F. No. 1783 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 44 and nays 20, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Jude	Mehrkens	Purfeerst
Anderson	Dicklich	Knaak	Merriam	Reichgott
Berglin	Frederick	Langseth	Moe, D.M.	Solon
Bernhagen	Frederickson, D.J.	Lantry	Novak	Spear
Brandl	Freeman	Larson	Olson	Storm
Brataas	Gustafson	Lessard	Pehler	Taylor
Chmielewski	Hughes	Luther	Peterson, D.C.	Waldorf
Cohen	Johnson, D.E.	Marty	Peterson, R.W.	Wegscheid
Decker	Johnson, D.J.	McQuaid	Piper	

Those who voted in the negative were:

Beckman	Bertram	Frank	Metzen	Samuelson
Belanger	Dahl	Frederickson, D.R.	Morse	Schmitz
Benson	Davis	Knutson	Ramstad	Stumpf
Berg	Diessner	Kroening	Renneke	Vickerman

So the bill passed and its title was agreed to.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Pehler moved that the following members be excused for a Conference Committee on S.F. No. 1861 at 5:00 p.m.:

Mr. Brandl, Ms. Berglin and Mr. Pehler. The motion prevailed.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1900 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1900: A bill for an act relating to the metropolitan airports commission; setting the borrowing authority of the commission; amending Minnesota Statutes 1986, section 473.667, subdivision 2.

Mrs. Adkins moved to amend S.F. No. 1900 as follows:

Page 1, line 23, before "APPLICATION" insert "EFFECTIVE DATE;"

Page 1, line 24, after "act" insert "is effective the day following final enactment and"

The motion prevailed. So the amendment was adopted.

Mr. Freeman moved to amend S.F. No. 1900 as follows:

Page 1, after line 7, insert:

"Section 1. [473.654] [ENVIRONMENTAL IMPACT ASSESSMENTS FOR AIRPORT IMPROVEMENTS.]

The corporation shall not issue bonds under section 473.667 or use revenue from any source as described in section 473.608, for the construction of any major improvement at an airport under the corporation's jurisdiction until 60 days after the completion of all environmental impact assessment procedures required by the National Environmental Policy Act, United States Code, title 42, section 4332; the Federal Aviation Act of 1958, United States Code, title 49, section 1348; the Airway and Improvement Act of 1982, United States Code, title 49, section 2208; the state environmental policy, chapter 116D; or any other federal or state statute, rule or regulation. For purposes of this provision, a major improvement is any expansion or extension of a runway or any major infrastructure improvement."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, before the period, insert "; proposing coding for new law in Minnesota Statutes, chapter 473"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 21 and nays 34, as follows:

Those who voted in the affirmative were:

Belanger	Decker	Johnson, D.J.	Novak	Spear
Bertram	DeCramer	Knaak	Peterson, D.C.	
Cohen	Dicklich	Luther	Peterson, R.W.	
Dahl	Freeman	Marty	Pogemiller	
Davis	Hughes	Morse	Ramstad	

Those who voted in the negative were:

Adkins	Frank	Langseth	Olson	Solon
Anderson	Frederick	Lantry	Piper	Storm
Benson	Frederickson, D.J.	Larson	Purfeerst	Stumpf
Berg	Frederickson, D.R.	Lessard	Reichgott	Taylor
Bernhagen	Gustafson	McQuaid	Renneke	Vickerman
Brataas	Johnson, D.E.	Metzen	Samuelson	Wegscheid
Diessner	Jude	Moe, D.M.	Schmitz	

The motion did not prevail. So the amendment was not adopted.

Ms. Peterson, D.C. moved to amend S.F. No. 1900 as follows:

Page 1, after line 22, insert:

"Sec. 2. [REPORT.]

The commission shall report to the legislature by January 1, 1989, on

the conditions that it has attached or proposes to attach to leases and to action on projects in its capital improvement plan, for the purpose of advancing the commission's noise control program at airports owned and operated by the commission."

Renumber the sections in sequence

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 29 and nays 32, as follows:

Those who voted in the affirmative were:

Belanger	DeCramer	Johnson, D.J.	Moe, R.D.	Pogemiller
Berglin	Dicklich	Larson	Morse	Samuelson
Brandl	Frank	Luther	Novak	Spear
Cohen	Freeman	Marty	Pehler	Stumpf
Dahl	Hughes	McQuaid	Peterson, D.C.	Waldorf
Davis	Johnson, D.E.	Moe, D.M.	Peterson, R.W.	

Those who voted in the negative were:

Adkins	Brataas	Jude	Olson	Storm
Anderson	Chmielewski	Knaak	Piper	Taylor
Beckman	Decker	Knutson	Purfeerst	Vickerman
Benson	Diessner	Kroening	Ramstad	Wegscheid
Berg	Frederick	Langseth	Renneke	
Bernhagen	Frederickson, D.R.	Lantry	Schmitz	
Bertram	Gustafson	Metzen	Solon	

The motion did not prevail. So the amendment was not adopted.

S.F. No. 1900 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 52 and nays 10, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Knaak	Moe, R.D.	Schmitz
Anderson	Dicklich	Knutson	Novak	Solon
Beckman	Diessner	Kroening	Olson	Storm
Belanger	Frank	Langseth	Pehler	Stumpf
Benson	Frederick	Lantry	Piper	Taylor
Berg	Frederickson, D.J.	Larson	Pogemiller	Vickerman
Bernhagen	Frederickson, D.R.	Lessard	Purfeerst	Waldorf
Bertram	Hughes	Luther	Ramstad	Wegscheid
Chmielewski	Johnson, D.E.	McQuaid	Reichgott	
Davis	Johnson, D.J.	Mehrrens	Renneke	
Decker	Jude	Metzen	Samuelson	

Those who voted in the negative were:

Berglin	Cohen	Freeman	Morse	Peterson, R.W.
Brandl	Dahl	Marty	Peterson, D.C.	Spear

So the bill, as amended, passed and its title was agreed to.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess until 7:00 p.m. The motion prevailed.

The hour of 7:00 p.m. having arrived, the President called the Senate to order.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Orders of Business of Executive and Official Communications, Messages From the House, Reports of Committees, Second Reading of Senate Bills and Second Reading of House Bills.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received and referred to the committees indicated.

February 29, 1988

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment to the Workers' Compensation Court of Appeals is hereby respectfully submitted to the Senate for confirmation as required by law:

Richard C. Pranke, 1066 N. Chatsworth St., St. Paul, Ramsey County, has been appointed by me, effective March 1, 1988, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Employment.)

March 28, 1988

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment as Commissioner of the Department of Finance is hereby respectfully submitted to the Senate for confirmation as required by law:

Tom Triplett, 2415 Sheridan Ave. S., Minneapolis, Hennepin County, has been appointed by me, effective October 21, 1987, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Finance.)

Sincerely,
Rudy Perpich, Governor

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S.F. Nos. 974, 1970, 2090 and 2376.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 29, 1988

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 3 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 1711: A bill for an act relating to Aitkin county; permitting the county to regulate certain public land interests by ordinance.

There has been appointed as such committee on the part of the House: Ogren; Carlson, D. and Solberg.

Senate File No. 1711 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 28, 1988

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 3 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 1622: A bill for an act relating to agriculture; clarifying which debtors are eligible for mediation; amending Minnesota Statutes 1986, section 583.24, subdivision 2.

There has been appointed as such committee on the part of the House: Sparby, Wenzel and Steensma.

Senate File No. 1622 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 28, 1988

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 3 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 321: A bill for an act relating to public safety; expanding the crimes of driving a motor vehicle or a motorboat while under the influence of alcohol or certain substances; amending Minnesota Statutes 1986, sections 169.121, subdivisions 1 and 2; and 361.12, subdivisions 1 and 4.

There has been appointed as such committee on the part of the House: Jacobs, Carruthers and Dempsey.

Senate File No. 321 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 28, 1988

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1846:

H.F. No. 1846: A bill for an act relating to environment; authorizing inspection of certain records kept by waste facilities; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 115A.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Price, Bishop and Beard have been appointed as such committee on the part of the House.

House File No. 1846 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 28, 1988

Mr. Diessner moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1846, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1817:

H.F. No. 1817: A bill for an act relating to watercraft; requiring lifesaving devices in duck boats; amending Minnesota Statutes 1986, section 361.141, subdivision 1.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Stanius, Neuenschwander and Reding have been appointed as such committee on the part of the House.

House File No. 1817 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 28, 1988

Mr. Wegscheid moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1817, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 2245:

H.F. No. 2245: A bill for an act relating to education; providing aids for education and the distribution of tax revenues; increasing the basic formula allowance; setting the general education levy; modifying the transportation aid and levy formulas; creating an American Indian education council; requiring a study of Indian education; requiring the development of a new model for secondary vocational instruction; modifying the community education formulas; offering free admission to secondary school to eligible persons at least 21 years of age; creating education district revenue; encouraging integrated learning environments; making technical corrections to the cooperative secondary facilities grant act; providing for the sale of permanent school fund lands; requiring the signing of an education statement; requiring certain changes in the state high school league; creating a task force on school district reorganization; changing the capital expenditure formulas; appropriating money; amending Minnesota Statutes 1986, sections 92.06, subdivision 4; 92.14, by adding a subdivision; 92.67, subdivision 5; 120.06, by adding a subdivision; 120.075, subdivisions 1a, 3, and by adding a subdivision; 120.0751, subdivision 1, and by adding a subdivision; 120.0752, subdivision 1, and by adding a subdivision; 120.74, subdivision 1; 121.11, subdivision 12; 121.15, subdivisions 6, 7, and by adding a subdivision; 121.612, by adding a subdivision; 121.88, by adding subdivisions; 123.35, subdivision 8; 123.3514, by adding a subdivision; 124.17, by adding a subdivision; 124.18, subdivision 2; 124.214, subdivision 2; 124.225, by adding a subdivision; 124.245, by adding a subdivision; 124.271, by adding subdivisions; 124.2711, by adding a subdivision; 124A.036, subdivision 2; 126.14, subdivision 1; 126.151; 126.56, subdivision 2; 129.121, subdivision 2, and by adding subdivisions; 260.015, subdivision 19; 275.125, by adding subdivisions; Minnesota Statutes 1987 Supplement, sections 92.46, subdivision 1; 92.67, subdivisions 1, 3, and 4; 120.0752, subdivision 3; 120.101, subdivisions 5 and 9; 120.17, subdivision 1; 121.612, subdivision 3; 121.87, subdivision 1a; 123.3515, subdivisions 1, 2, 3, 5, 6, 9, and by adding a subdivision; 124.214, subdivision 3; 124.223; 124.225, subdivision 4b; 124.26, subdivision 1b; 124.271, subdivision 2b; 124.2711, subdivision 1; 124.494, subdivisions 5 and 6; 124.573, subdivision 2b, and by adding subdivisions; 124A.036, subdivisions 5; 124A.22, subdivisions 2, 3, and 6; 124A.23, subdivisions 1, 2, 3, and by adding subdivisions; 124A.24; 124A.25, subdivisions 2, 4, and by adding a subdivision; 125.185, subdivision 4; 126.22, subdivisions 2, 3, 4, and by adding a subdivision; 126.666, by adding a subdivision; 126.70, subdivision 2a; 129.121, subdivision 1; 129B.11, subdivisions 1 and 2, and by adding a subdivision; 275.125, subdivisions 5 and 8; Laws 1987, chapter 398, article 1, section 27, subdivision 3; article 2, section 13, subdivision 2; article 3, section 39, subdivision 8; article 5, section 2, subdivision 12; article 6, section 19, subdivision 7; proposing coding for new law in Minnesota Statutes, chapters 120; 121; 122; 124; 124A; 126; 129B; 145; repealing Minnesota Statutes 1986, section 124.245, subdivision 4; Minnesota Statutes 1987 Supplement, sections 121.11, subdivision 16; 124.244; 124.245, subdivisions 3, 3a, and 3b; 124A.27, subdivision 10; and 275.125, subdivisions 6e and 11c.

The House respectfully requests that a Conference Committee of 5 members be appointed thereon.

Nelson, K.; McEachern; Vellenga; Bauerly and Ozment have been appointed as such committee on the part of the House.

House File No. 2245 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 28, 1988

Mr. Peterson, R.W. moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 2245, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

Pursuant to Joint Rule 3.02, the Conference Committee on House File No. 1138 was discharged after adjournment May 18, 1987 and the bill was laid on the table.

H.F. No. 1138: A bill for an act relating to small business; requiring use of certain socially and economically disadvantaged subcontractors; removing a five-year eligibility limitation; modifying the definition of small business; amending Minnesota Statutes 1986, sections 16B.19, subdivision 6; 16B.22; and 645.445, subdivisions 2 and 3.

I have the honor to announce that on March 28, 1988, House File No. 1138 was taken from the table and new House conferees were appointed.

Osthoff, Scheid and Sarna have been appointed as such committee on the part of the House.

House File No. 1138 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 28, 1988

Ms. Peterson, D.C. moved that H.F. No. 1138 be laid on the table. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 1632: A bill for an act relating to Ramsey County; authorizing a coordinated erosion and sediment control pilot program.

Senate File No. 1632 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 29, 1988

Mr. Benson moved that S.F. No. 1632 be laid on the table. The motion prevailed.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 1430: A bill for an act relating to public safety; establishing the cigarette fire safety act; prohibiting the sale of cigarettes and little cigars that do not meet certain standards for fire safety; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 299F.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, delete section 5

Page 2, line 34, delete "6" and insert "5"

Page 2, delete line 35 and insert "*This act is*"

Page 2, line 36, delete the period and insert ", *except that*"

Amend the title as follows:

Page 1, line 5, delete "appropriating money;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 1891: A bill for an act relating to waste management; requiring certain buildings to provide space for recycling; changing the definition of recyclable materials; specifying the responsibilities of the legislative commission on waste management; adding containment of hazardous waste as an item for which the waste management board may make grants; making industrial waste facilities eligible for processing facility loans; creating additional loan and grant programs for waste tire management; banning used oil from placement on the land; removing the county fee cap for waste disposal in the metropolitan area; providing for interim classification of incinerator ash; adding the chair of the waste management board to the environmental quality board; repealing the expiration date of the legislative commission on waste management; appropriating money; amending Minnesota Statutes 1986, sections 16B.24, subdivision 6; 16B.61, by adding a subdivision; 115A.03, subdivision 25a; 115A.14, subdivision 4; 115A.156, subdivision 3; 115A.165; 115A.912; 115A.919; 115B.17, by adding a subdivision; 473.803, subdivision 4; Minnesota Statutes 1987 Supplement, sections 115A.156, subdivisions 1 and 2; 115A.162; 115A.48; 115A.916; and 116C.03, subdivision 2; Laws 1980, chapter 564, article XII, section 1, subdivision 3, as amended; Laws 1987, chapters 348, section 51, subdivision 1; and 404, section 24, subdivisions 4 and 6; proposing coding for new law in Minnesota Statutes, chapters 115A and 325E; repealing Minnesota Statutes 1986, sections 115A.14, subdivision 6; 115A.90, subdivision 4; 473.149, subdivision 2b; 473.803, subdivision 1a; 473.806;

and 473.833; Minnesota Statutes 1987 Supplement, sections 115A.14, subdivision 5; 115A.41; 116.55; and 116M.07, subdivision 14.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 31, delete "is" and insert "be"

Page 8, line 12, delete "only"

Page 8, line 14, after the comma, insert "only"

Page 10, line 27, delete "\$1,000" and insert "\$2,500"

Page 11, after line 14, insert:

"Sec. 17. Minnesota Statutes 1987 Supplement, section 115A.921, is amended to read:

115A.921 [CITY OR TOWN FEE AUTHORITY.]

A city or town may impose a fee, not to exceed 25 35 cents per cubic yard of waste, or its equivalent, on operators of facilities for the disposal of mixed municipal solid waste located within the city or town. The revenue from the fees must be credited to the city or town general fund and. *Revenue produced by 25 cents of the fee must be used only for purposes of landfill abatement or for purposes of mitigating and compensating for the local risks, costs, and other adverse effects of facilities. Revenue produced by ten cents of the fee may be used for any general fund purpose.* Waste residue from energy and resource recovery facilities at which solid waste is processed for the purpose of extracting, reducing, converting to energy, or otherwise separating and preparing solid waste for reuse shall be exempt from one-half the amount of the fee imposed by a city or town under this section if there is at least an 85 percent volume reduction in the solid waste processed. Before any fee is reduced, the verification procedures of section 473.843, subdivision 1, paragraph (c), must be followed and submitted to the appropriate city or town."

Page 11, line 18, delete "shall be" and insert "is"

Page 11, line 19, delete "which shall expire upon the" and insert "that expires"

Page 11, line 20, delete "occurrence of" and insert "when" and delete "events" and insert "occurs"

Page 11, lines 27 and 29, delete "shall" and insert "must"

Page 11, line 33, delete "shall be" and insert "is" and delete "subsequently" and insert "later"

Page 11, line 34, delete "shall be construed to limit application" and insert "limits liability"

Page 11, line 35, delete "of" and insert "under" and delete "to" and insert "for"

Page 12, line 4, delete "of the agency"

Page 12, line 16, delete "deposited in" and insert "credited to"

Page 15, delete section 24

Page 16, delete lines 23 to 31 and insert:

“\$576,300 is appropriated from the motor vehicle transfer fund to the waste management board for waste tire management programs and waste oil loans and grants and market feasibility studies.”

Page 16, line 32, delete “These appropriations are” and insert “This appropriation is”

Page 16, lines 39 and 41, delete “18” and insert “19”

Page 17, line 9, delete “18, 23, 24, 26, and 27,” and insert “19, 24, 25 and 26”

ReNUMBER the sections in sequence

Amend the title as follows:

Page 1, line 25, before “and” insert “115A.921;”

Page 1, line 29, delete “subdivisions 4 and 6” and insert “subdivision 4”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was referred

H.F. No. 2524: A bill for an act relating to local government; including certain parcels in a tax increment financing district located in the city of Virginia.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“ARTICLE 1

CITY OF VIRGINIA

Section 1. [TAX INCREMENT FINANCING DISTRICT; PARCELS INCLUDED.]

Redevelopment tax increment financing district No. 1 in enterprise zone development district No. 3 in the city of Virginia, is deemed for all purposes under Minnesota Statutes, sections 469.174 to 469.179 to include the following parcels of real property as of June 12, 1984:

(1) Parcel No. 90-124-245 - Ely 79.2' of Lot 1 and all of Lot 2, Block 3, Olcott Addition;

(2) Parcel No. 90-125-247 - Lot 3, Block 3, Olcott Addition; and

(3) Parcel No. 90-125-270 - Lot 4, Block 3, Olcott Addition.

Sec. 2. [ORIGINAL ASSESSED VALUE.]

The original assessed value of the parcels of real property described in section 1 is deemed for all purposes under Minnesota Statutes, sections 469.174 to 469.179 to be the original assessed value of those parcels as of June 12, 1984.

Sec. 3. [CAPTURED ASSESSED VALUE.]

The captured assessed value of the parcels of real property described in section 1 is deemed for all purposes under Minnesota Statutes, sections 469.174 to 469.179 to be the increased assessed value of those parcels computed in the manner prescribed by Minnesota Statutes, section 469.177, and in accordance with this article.

Sec. 4. [EFFECTIVE DATE.]

This article is effective upon its approval by the city council of the city of Virginia and compliance with Minnesota Statutes, section 645.021.

ARTICLE 2

STATEWIDE

Section 1. Minnesota Statutes 1987 Supplement, section 469.174, subdivision 7, is amended to read:

Subd. 7. [ORIGINAL ASSESSED VALUE.] (a) *Except as provided in paragraph (b), "original assessed value" means the assessed value of all taxable real property within a tax increment financing district as most recently certified by the commissioner of revenue as of the date of the request by an authority for certification by the county auditor, together with subsequent adjustments as set forth in section 469.177, subdivisions 1 and 4. In determining the original assessed value the assessed value of real property exempt from taxation at the time of the request shall be zero, except for real property which is tax exempt by reason of public ownership by the requesting authority and which has been publicly owned for less than one year prior to the date of the request for certification, in which event the assessed value of the property shall be the assessed value as most recently determined by the commissioner of revenue.*

(b) *The original assessed value of any designated hazardous substance site or hazardous substance subdistrict shall be determined on January 2 following the date the agency or municipality certifies to the county auditor that the agency or municipality has entered a redevelopment or other agreement for the removal actions or remedial actions specified in a development response action plan, or otherwise provided funds to finance the development response action plan, the original assessed value shall be equal to the assessed value of the parcel, as most recently determined by the commissioner of revenue, less the reasonable and necessary costs of the removal actions and remedial actions to be undertaken with respect to the parcel as certified to the county auditor by the municipality or agency but not less than zero.*

(c) *The original assessed value shall be increased by the amount by which it was reduced pursuant to paragraph (b) upon certification by the municipality that the costs of the removal actions and remedial actions have been paid or reimbursed.*

(d) For purposes of this subdivision, "real property" shall include any property normally taxable as personal property by reason of its location on or over publicly-owned property.

(e) *The terms "removal," "remedial," "action," "hazardous substance," and "pollutant or contaminant" have the meanings assigned by section 115B.02. The term "development response action plan" has the meaning given under section 3.*

Sec. 2. Minnesota Statutes 1987 Supplement, section 469.174, subdivision 10, is amended to read:

Subd. 10. [REDEVELOPMENT DISTRICT.] (a) "Redevelopment district" means a type of tax increment financing district consisting of a project, or portions of a project, within which the authority finds by resolution that one of the following conditions, reasonably distributed throughout the district, exists:

(1) 70 percent of the parcels in the district are occupied by buildings, streets, utilities, or other improvements and more than 50 percent of the buildings, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance; or

(2) 70 percent of the parcels in the district are occupied by buildings, streets, utilities, or other improvements and 20 percent of the buildings are structurally substandard and an additional 30 percent of the buildings are found to require substantial renovation or clearance in order to remove such existing conditions as: inadequate street layout, incompatible uses or land use relationships, overcrowding of buildings on the land, excessive dwelling unit density, obsolete buildings not suitable for improvement or conversion, or other identified hazards to the health, safety, and general well-being of the community; or

(3) less than 70 percent of the parcels in the district are occupied by buildings, streets, utilities, or other improvements, but due to unusual terrain or soil deficiencies requiring substantial filling, grading, or other physical preparation for use at least 80 percent of the total acreage of such land has a fair market value upon inclusion in the redevelopment district which, when added to the estimated cost of preparing that land for development, excluding costs directly related to roads as defined in section 160.01 and local improvements as described in section 429.021, subdivision 1, clauses 1 to 7, 11 and 12, and 430.01, if any, exceeds its anticipated fair market value after completion of the preparation. No parcel shall be included within a redevelopment district pursuant to this paragraph unless the authority has concluded an agreement or agreements for the development of at least 50 percent of the acreage having the unusual soil or terrain deficiencies, which agreement provides recourse for the authority should the development not be completed; or

(4) the property consists of underutilized air rights existing over a public street, highway, or right-of-way; or

(5) the property consists of vacant, unused, underused, inappropriately used, or infrequently used railyards, rail storage facilities, or excessive or vacated railroad rights-of-way; or

(6) the district consists of an existing or proposed industrial park no greater in size than 250 acres, which contains a sewage lagoon contaminated with polychlorinated biphenyls.

(b) For purposes of this subdivision, "structurally substandard" shall mean containing defects in structural elements or a combination of deficiencies in essential utilities and facilities, light and ventilation, fire protection including adequate egress, layout and condition of interior partitions, or similar factors, which defects or deficiencies are of sufficient total significance to justify substantial renovation or clearance.

(c) For districts approved under section 469.175, subdivision 3, or for

noncontiguous areas added to existing districts after April 1, 1988, if the district consists of two or more noncontiguous geographic areas, each area must qualify as a redevelopment district under clauses (a)(1) to (a)(6) in order to be included in the district, and the area of the entire district must satisfy the requirements of paragraph (a).

Sec. 3. Minnesota Statutes 1987 Supplement, section 469.174, is amended by adding a subdivision to read:

Subd. 16. [DESIGNATED HAZARDOUS SUBSTANCE SITE.] "Designated hazardous substance site" means any parcel or parcels with respect to which the authority or municipality has certified to the county auditor that the authority or municipality has entered into a redevelopment or other agreement providing for, or otherwise has available to it funds, including, without limitation, tax increment which would be made available pursuant to section 469.175, subdivision 1, to finance the removal actions or remedial actions specified in a development response action plan. For purposes of this section, a plan or proposal for removal actions or remedial actions constitutes a development response action plan if the actions contained in the plan or proposal are:

(1) requested by the agency or its commissioner pursuant to section 115B.17, 115C.03, or other law; or

(2) proposed to the commissioner of the pollution control agency by a municipality to respond to a release or threatened release of a hazardous substance, pollutant, contaminant, or petroleum.

Sec. 4. [469.1741] [TOWN AUTHORITY.]

No town may be authorized after the date of enactment of this act to exercise powers under sections 469.174 to 469.179 unless the town has the authority to exercise powers under section 368.01, is located within the metropolitan area as defined in section 473.121, subdivision 2, and has a population in excess of 5,000 persons.

Sec. 5. Minnesota Statutes 1987 Supplement, section 469.175, subdivision 1, is amended to read:

Subdivision 1. [TAX INCREMENT FINANCING PLAN.] A tax increment financing plan shall contain:

(1) a statement of objectives of an authority for the improvement of a project;

(2) a statement as to the development program for the project, including the property within the project, if any, that the authority intends to acquire;

(3) a list of any development activities that the plan proposes to take place within the project, for which contracts have been entered into at the time of the preparation of the plan, including the names of the parties to the contract, the activity governed by the contract, the cost stated in the contract, and the expected date of completion of that activity;

(4) identification or description of the type of any other specific development reasonably expected to take place within the project, and the date when the development is likely to occur;

(5) estimates of the following:

(i) cost of the project, including administration expenses;

- (ii) amount of bonded indebtedness to be incurred;
- (iii) sources of revenue to finance or otherwise pay public costs;
- (iv) the most recent assessed value of taxable real property within the tax increment financing district;
- (v) the estimated captured assessed value of the tax increment financing district at completion; and
- (vi) the duration of the tax increment financing district's existence; and
- (6) ~~a statement~~ *statements* of the authority's ~~estimate~~ *alternate estimates* of the impact of tax increment financing on the assessed values of all taxing jurisdictions in which the tax increment financing district is located in whole or in part. *For purposes of one statement, the authority shall assume that the estimated captured assessed value would be available to the taxing jurisdictions without creation of the district, and for purposes of the second statement, the authority shall assume that none of the estimated captured assessed value would be available to the taxing jurisdictions without creation of the district;*
- (7) *identification and description of studies and analyses used to make the determination set forth in subdivision 3, clause (2); and*
- (8) *identification of all parcels to be included in the district.*

Sec. 6. Minnesota Statutes 1987 Supplement, section 469.175, subdivision 2, is amended to read:

Subd. 2. [CONSULTATIONS; COMMENT AND FILING.] Before formation of a tax increment financing district, the authority shall provide an opportunity to the members of the county boards of commissioners of any county in which any portion of the proposed district is located and the members of the school board of any school district in which any portion of the proposed district is located to meet with the authority. The authority shall present to the members of the county boards of commissioners and the school boards its estimate of the fiscal and economic implications of the proposed tax increment financing district. *The information on the fiscal and economic implications of the plan must be provided to the county and school district boards at least 30 days before the public hearing required by subdivision 3. The 30-day requirement is waived if the county and school district submit written comments on the proposal and any modification of the proposal to the authority after receipt of the information.* The members of the county boards of commissioners and the school boards may present their comments at the public hearing on the tax increment financing plan required by subdivision 3. ~~The county auditor shall not certify the original assessed value of a district pursuant to section 469.177, subdivision 1, until the county board of commissioners has presented its written comment on the proposal to the authority, or 30 days has passed from the date of the transmittal by the authority to the board of the information regarding the fiscal and economic implications, whichever occurs first.~~ Upon adoption of the tax increment financing plan, the authority shall file a copy of the plan with the commissioner of ~~energy~~ *trade* and economic development. The authority must also file with the commissioner a copy of the development plan for the project area.

Sec. 7. Minnesota Statutes 1987 Supplement, section 469.175, subdivision 3, is amended to read:

Subd. 3. [MUNICIPALITY APPROVAL.] A county auditor shall not certify the original assessed value of a tax increment financing district until the tax increment financing plan proposed for that district has been approved by the municipality in which the district is located. If an authority that proposes to establish a tax increment financing district and the municipality are not the same, the authority shall apply to the municipality in which the district is proposed to be located and shall obtain the approval of its tax increment financing plan by the municipality before the authority may use tax increment financing. The municipality shall approve the tax increment financing plan only after a public hearing thereon after published notice in a newspaper of general circulation in the municipality at least once not less than ten days nor more than 30 days prior to the date of the hearing. This hearing may be held before or after the approval or creation of the project or it may be held in conjunction with a hearing to approve the project. Before or at the time of approval of the tax increment financing plan, the municipality shall make the following findings, and shall set forth in writing the reasons and supporting facts for each determination:

(1) that the proposed tax increment financing district is a redevelopment district, a mined underground space development district, a housing district, or an economic development district; *if the proposed district is a redevelopment district, the reasons and supporting facts for the determination that the district meets the criteria of section 469.174, subdivision 10, clauses (a)(1) to (a)(6), shall be retained and made available to the public by the authority until the district has been terminated.*

(2) that the proposed development or redevelopment, in the opinion of the municipality, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future and therefore the use of tax increment financing is deemed necessary.

(3) that the tax increment financing plan conforms to the general plan for the development or redevelopment of the municipality as a whole.

(4) that the tax increment financing plan will afford maximum opportunity, consistent with the sound needs of the municipality as a whole, for the development or redevelopment of the project by private enterprise.

(5) that the municipality elects the method of tax increment computation set forth in section 469.177, subdivision 3, clause (b), if applicable.

When the municipality and the authority are not the same, the municipality shall approve or disapprove the tax increment financing plan within 60 days of submission by the authority, or the plan shall be deemed approved. When the municipality and the authority are not the same, the municipality may not amend or modify a tax increment financing plan except as proposed by the authority pursuant to subdivision 4. Once approved, the determination of the authority to undertake the project through the use of tax increment financing and the resolution of the governing body shall be conclusive of the findings therein and of the public need for the financing.

Sec. 8. Minnesota Statutes 1987 Supplement, section 469.175, subdivision 4, is amended to read:

Subd. 4. [MODIFICATION OF PLAN.] (a) A tax increment financing plan may be modified by an authority, provided that any reduction or enlargement of geographic area of the project or tax increment financing district, increase in amount of bonded indebtedness to be incurred, including a determination to capitalize interest on the debt if that determination

was not a part of the original plan, or to increase or decrease the amount of interest on the debt to be capitalized, increase in the portion of the captured assessed value to be retained by the authority, increase in total estimated tax increment expenditures or designation of additional property to be acquired by the authority shall be approved upon the notice and after the discussion, public hearing, and findings required for approval of the original plan; provided that if an authority changes the type of district from housing, redevelopment, or economic development to another type of district, this change shall not be considered a modification but shall require the authority to follow the procedure set forth in sections 469.174 to 469.179 for adoption of a new plan, including certification of the assessed valuation of the district by the county auditor. *If a redevelopment district is enlarged, the reasons and supporting facts for the determination that the addition to the district meets the criteria of section 469.174, subdivision 10, clauses (a)(1) to (a)(6), shall be documented. The requirements of this paragraph do not apply if (1) the only modification is elimination of parcels from the project or district and (2)(A) the current assessed value of the parcels eliminated from the district equals or exceeds the assessed value of those parcels in the district's original assessed value or (B) the authority agrees that, notwithstanding section 469.177, subdivision 1, the original assessed value will be reduced by no more than the current assessed value of the parcels eliminated from the district. The authority must notify the county auditor of any modification that reduces or enlarges the geographic area of a district or a project area.*

(b) The geographic area of a tax increment financing district may be reduced, but shall not be enlarged after five years following the date of certification of the original assessed value by the county auditor or after August 1, 1984, for tax increment financing districts authorized prior to August 1, 1979, except that development districts created pursuant to Minnesota Statutes 1978, chapter 472A, prior to August 1, 1979, may be reduced but shall not be enlarged after five years following the date of designation of the district.

Sec. 9. Minnesota Statutes 1987 Supplement, section 469.175, is amended by adding a subdivision to read:

Subd. 7. [CREATION OF HAZARDOUS SUBSTANCE SUBDISTRICT.] (a) A municipality or authority which is creating or has created a tax increment financing district may establish within the district a hazardous substance subdistrict upon the notice and after the discussion, public hearing and findings required for approval of the original plan. The geographic area of the subdistrict shall be made up of any parcels in the district designated for inclusion by the municipality or authority that are designated hazardous substance sites, and any additional parcels in the district designated for inclusion that are contiguous except for the interposition of a right-of-way. Before or at the time of approval of the tax increment financing plan, the municipality shall make the findings under paragraphs (b) to (d), and shall set forth in writing the reasons and supporting facts for each.

(b) *The proposed development or redevelopment, in the opinion of the municipality, would not reasonably be expected to occur solely through private investment and tax increment otherwise available, and therefore the hazardous substance district is deemed necessary.*

(c) *Other parcels that are not designated hazardous substance sites are*

expected to be developed together with a designated hazardous substance site.

(d) The subdistrict is not larger than, and the period of time during which increments are elected to be received is not longer than, that which is necessary in the opinion of the municipality to provide for the additional costs due to the designated hazardous substance site.

Sec. 10. Minnesota Statutes 1987 Supplement, section 469.176, subdivision 1, is amended to read:

Subdivision 1. [DURATION OF TAX INCREMENT FINANCING DISTRICTS.] (a) Subject to the limitations contained in paragraphs (b) to (f), any tax increment financing district as to which bonds are outstanding, payment for which the tax increment and other revenues have been pledged, shall remain in existence at least as long as the bonds continue to be outstanding.

(b) The tax increment pledged to the payment of the bonds and interest thereon may be discharged and the tax increment financing district may be terminated if sufficient funds have been irrevocably deposited in the debt service fund or other escrow account held in trust for all outstanding bonds to provide for the payment of the bonds at maturity or date of redemption and interest thereon to the maturity or redemption date.

(c) For bonds issued pursuant to section 469.178, subdivisions 2 and 3, the full faith and credit and any taxing powers of the municipality or authority shall continue to be pledged to the payment of the bonds until the principal of and interest on the bonds has been paid in full.

(d) No tax increment shall be paid to an authority for a tax increment financing district after three years from the date of certification of the original assessed value of the taxable real property in the district by the county auditor or after August 1, 1982, for tax increment financing districts authorized prior to August 1, 1979, unless within the three-year period (1) bonds have been issued pursuant to section 469.178, or in aid of a project pursuant to any other law, except revenue bonds issued pursuant to sections 469.152 to 469.165, prior to August 1, 1979, or (2) the authority has acquired property within the district, or (3) the authority has constructed or caused to be constructed public improvements within the district.

(e) (i) *For districts certified after August 1, 1979, no tax increment shall in any event be paid to the authority from a redevelopment district after 25 years from date of receipt by the authority of the first tax increment, provided that for districts approved under section 469.175, subdivision 3, after April 1, 1988, if bonds or obligations issued to implement the district's tax increment financing plan are exempt from federal and state income taxes, the duration of the district is 20 years. No tax increment shall in any event be paid to the authority after 25 years from the date of the receipt for a housing district, after 25 years from the date of the receipt for a mined underground space development district, and after eight years from the date of the receipt, or ten years from approval of the tax increment financing plan, whichever is less, for an economic development district. In the case of a redevelopment district that has a maximum duration of 20 years under this subdivision, the authority may waive receipt of increment for the first year in which property tax is paid by captured assessed value. For purposes of determining the duration limits the waived increment does not constitute receipt of increment.*

(ii) For tax increment financing districts created prior to August 1, 1979, no tax increment shall be paid to the authority after ~~30 years from August 1, 1979~~ April 1, 2001, or the term of a bond or obligation outstanding on April 1, 1990, secured by increments from the district or project area, whichever time is greater, provided that in no case will a tax increment be paid to an authority after August 1, 2009, from such a district.

(f) Modification of a tax increment financing plan pursuant to section 469.175, subdivision 4, shall not extend the durational limitations of this subdivision.

If a parcel of a district is part of a designated hazardous substance site or a hazardous substance subdistrict, tax increment may be paid to the authority from the parcel for longer than the period otherwise provided by this subdivision. The extended period for collection of tax increment shall begin on the date of receipt of the first tax increment from the parcel that is more than any tax increment received from the parcel before the date of the certification under section 469.174, subdivision 7, paragraph (b), and received after the date of certification to the county auditor described in section 469.174, subdivision 7, paragraph (b). The extended period for collection of tax increment shall be the lesser of: (1) 25 years from the date of commencement of the extended period; or (2) the period necessary to recover the costs of removal actions or remedial actions specified in a development response action plan.

Sec. 11. Minnesota Statutes 1987 Supplement, section 469.176, subdivision 4, is amended to read:

Subd. 4. [LIMITATION ON USE OF TAX INCREMENT.] (a) All revenues derived from tax increment shall be used in accordance with the tax increment financing plan. The revenues shall be used solely for the following purposes: (1) to pay the principal of and interest on bonds issued to finance a project; (2) by a rural development financing authority for the purposes stated in section 469.142, by a port authority or municipality exercising the powers of a port authority to finance or otherwise pay the cost of redevelopment pursuant to sections 469.048 to 469.068, by an economic development authority to finance or otherwise pay the cost of redevelopment pursuant to sections 469.090 to 469.108, by a housing and redevelopment authority or economic development authority to finance or otherwise pay public redevelopment costs pursuant to sections 469.001 to 469.047, by a municipality or economic development authority to finance or otherwise pay the capital and administration costs of a development district pursuant to sections 469.124 to 469.134, by a municipality or redevelopment agency to finance or otherwise pay premiums for insurance or other security guaranteeing the payment when due of principal of and interest on the bonds pursuant to chapter 462C, sections 469.152 to 469.165, or both, or to accumulate and maintain a reserve securing the payment when due of the principal of and interest on the bonds pursuant to chapter 462C, sections 469.152 to 469.165, or both, which revenues in the reserve shall not exceed, subsequent to the fifth anniversary of the date of issue of the first bond issue secured by the reserve, an amount equal to 20 percent of the aggregate principal amount of the outstanding and nondefeased bonds secured by the reserve. *Tax increments may be used to pay for the county's actual administrative expenses under sections 469.174 to 469.179; the county may require payment of those expenses by February 15 of the year after the year in which the expenses are incurred. The amount of these payments are not required to be set forth in the tax increment financing*

plan for the project. To obtain payment for actual administrative costs, the county auditor must submit to the authority a record of costs incurred by the county auditor related to administration of the authority's tax increment financing districts. Revenue derived from tax increment from a mined underground space development district may be used only to pay for the costs of excavating and supporting the space, of providing public access to the mined underground space including roadways, and of installing utilities including fire sprinkler systems in the space. Revenue derived from tax increment from a district approved under section 469.175, subdivision 3, after April 1, 1988, all or a portion of which qualified as a redevelopment district under section 469.174, subdivision 10, paragraph (3), or from parcels added to an existing district of that type after April 1, 1988, may be used only to (1) acquire parcels on which the improvements described in clause (2) will occur; (2) pay for the cost of correcting the unusual terrain or soil deficiencies and the additional cost of installing public improvements directly caused by the deficiencies; and (3) pay for the administrative expenses of the authority allocable to the district. The sale by the authority of a parcel acquired and improved as described in clauses (1) and (2) must be for a price that is no less than the cost of acquisition. No less than one-half of the revenue derived from tax increment from a housing project must be used to finance or otherwise pay the cost of land acquisition, site improvements, public improvements directly related to, and construction or renovation of a project consisting of housing described in section 469.174, subdivision 11, including allocated administration costs.

(b) Revenues derived from tax increment may be used to finance the costs of an interest reduction program operated pursuant to section 469.012, subdivisions 7 to 10, or pursuant to other law granting interest reduction authority and power by reference to those subdivisions only under the following conditions: (1) tax increments may not be collected for a program for a period in excess of 12 years after the date of the first interest rate reduction payment for the program, (2) tax increments may not be used for an interest reduction program, if the proceeds of bonds issued pursuant to section 469.178 after December 31, 1985, have been or will be used to provide financial assistance to the specific project which would receive the benefit of the interest reduction program, and (3) tax increments may not be used to finance an interest reduction program for owner-occupied single-family dwellings.

(c) These revenues shall not be used to circumvent existing levy limit law. No revenues derived from tax increment from any district, whether certified before or after August 1, 1979, shall be used for the acquisition, construction or renovation, operation, or maintenance of a municipally owned building to be used primarily and regularly for conducting the business of the a municipality, county, school district, or any other local unit of government or the state or federal government. This provision shall not prohibit the use of revenues derived from tax increments for the construction or renovation of a parking structure, a commons area used as a public park, or a facility used for social, recreational, or conference purposes and not primarily for conducting the business of the municipality.

(d) If a tax increment district is located in a municipality, parts of which are situated in more than one county, the revenue derived from tax increments from parcels located in one county must be expended for the direct and primary benefit of a project located or conducted within that county.

unless the county boards of each of the counties involved agree to waive this requirement.

Sec. 12. Minnesota Statutes 1987 Supplement, section 469.176, subdivision 5, is amended to read:

Subd. 5. [REQUIREMENT FOR AGREEMENTS.] No more than 25 percent, by acreage, of the property to be acquired within a project which contains a redevelopment district, or ten percent, by acreage, of the property to be acquired within a project which contains a housing or economic development district, as set forth in the tax increment financing plan, shall at any time be owned by an authority as a result of acquisition with the proceeds of bonds issued pursuant to section 469.178 unless prior to acquisition in excess of the percentages, the authority has concluded an agreement for the development or redevelopment of the property acquired and which provides recourse for the authority should the development or redevelopment not be completed. *This subdivision does not apply to a parcel of a district that is a designated hazardous substance site established under section 3 or part of a hazardous substance subdistrict established under section 9.*

Sec. 13. Minnesota Statutes 1987 Supplement, section 469.176, subdivision 6, is amended to read:

Subd. 6. [ACTION REQUIRED.] (a) If, after four years from the date of certification of the original assessed value of the tax increment financing district pursuant to section 469.177, no demolition, rehabilitation, or renovation of property or other site preparation, including improvement of a street adjacent to a parcel but not installation of utility service including sewer or water systems, has been commenced on a parcel located within a tax increment financing district by the authority or by the owner of the parcel in accordance with the tax increment financing plan, no additional tax increment may be taken from that parcel, and the original assessed value of that parcel shall be excluded from the original assessed value of the tax increment financing district. If the authority or the owner of the parcel subsequently commences demolition, rehabilitation, or renovation or other site preparation on that parcel including improvement of a street adjacent to that parcel, in accordance with the tax increment financing plan, the authority shall certify to the county auditor that the activity has commenced, and the county auditor shall certify the assessed value thereof as most recently certified by the commissioner of revenue and add it to the original assessed value of the tax increment financing district. *The county auditor must enforce the provisions of this subdivision. The authority must by February 1 of the fifth year following the year in which a parcel was certified as included in the district submit to the county auditor evidence that the required activity has taken place for each parcel in the district.*

(b) *This subdivision applies to all tax increment districts, whether created before or after August 1, 1979. The subdivision applies to districts created before August 1, 1979 as provided in this paragraph. The four-year period is deemed to begin April 1, 1988, provided that activity on or improvements to a parcel occurring prior to that date qualify the parcel for retention in the district. The authority must submit the evidence of activity or improvements for each parcel to the county auditor, as required by paragraph (a), by June 1, 1992. In the case of a district or a portion of a district for which no tax increment financing plan has been prepared, improvements are deemed to have been commenced "in accordance with the tax increment*

financing plan" when one of the following conditions is met:

(1) acquisition or improvement of the parcel was financed by the authority with increment revenues or with the proceeds of tax increment bonds or with other funds of the authority after the inclusion of the parcel in the district;

(2) public improvements, excluding sewer and water improvements, were installed or constructed on the parcel or on land adjacent to the parcel after inclusion of the parcel in the district and the improvements were financed with increments or other authority revenues, but excluding general city revenues or special assessments if the authority is the same as the municipality;

(3) construction of the improvements occurred on the parcel and the municipality passes a resolution stating that the improvements or other improvements of approximately equal (or greater) market value would not have occurred if the authority had not undertaken efforts of the type specified in clauses (1) or (2) on other parcels in the district. If the authority submits evidence that (i) at least 60 percent of the parcels, or (ii) parcels comprising at least 60 percent of the geographic area in the district, or (iii) parcels from which is derived at least 60 percent of the captured assessed value of the district, meet the requirements of this paragraph by June 1, 1992, all parcels may remain in the district notwithstanding the provisions of paragraph (a).

(c) In the case of tax increment projects for which certification was requested before August 1, 1979, and for which a defeased bond was outstanding on April 1, 1988, the provisions of paragraphs (a) and (b) apply as specified in this paragraph. Increments shall continue to be collected from parcels that fail to meet the requirements of paragraphs (a) and (b). The authority or other administering entity shall deposit these increments in a separate account in the debt service or other bond fund to defease bonds outstanding on April 1, 1988, for the project. The amount of funds in the separate account shall not affect or be considered in computation of the amount required to be deposited in the regular debt service fund under the bond resolution, indenture, or other contract. When the sum of the amount in the regular debt service fund and the separate account are sufficient to fully defease the bonds outstanding on April 1, 1988, for the project or when such bonds are fully defeased or paid by refunding or otherwise, increments may no longer be collected from a parcel that does not satisfy the requirements of paragraphs (a) and (b).

Sec. 14. Minnesota Statutes 1987 Supplement, section 469.176, is amended by adding a subdivision to read:

Subd. 8. [ECONOMIC DEVELOPMENT DISTRICTS.] No economic development district may be created after the date of final enactment of this act. The geographic boundaries of an economic development district created before that date may not be expanded after that date.

Sec. 15. Minnesota Statutes 1987 Supplement, section 469.177, subdivision 1, is amended to read:

Subdivision 1. [ORIGINAL ASSESSED VALUE.] Upon or after adoption of a tax increment financing plan, the auditor of any county in which the district is situated shall, upon request of the authority, certify the original assessed value of the tax increment financing district as described in the tax increment financing plan and shall certify in each year thereafter the

amount by which the original assessed value has increased or decreased as a result of a change in tax exempt status of property within the district, reduction or enlargement of the district or changes pursuant to subdivision 4. In the case of a mined underground space development district the county auditor shall certify the original assessed value as zero, plus the assessed value, if any, previously assigned to any subsurface area included in the mined underground space development district pursuant to section 272.04. *For districts approved under section 469.175, subdivision 3, or parcels added to existing districts after April 1, 1988, if the classification under section 273.13 of property located in a district changes to a classification that has a different assessment ratio, the original assessed value of that property shall be redetermined at the time when its use is changed as if the property had originally been classified in the same class in which it is classified after its use is changed.* The amount to be added to the original assessed value of the district as a result of previously tax exempt real property within the district becoming taxable shall be equal to the assessed value of the real property as most recently assessed pursuant to section 273.18 or, if that assessment was made more than one year prior to the date of title transfer rendering the property taxable, the value assessed by the assessor at the time of the transfer. The amount to be added to the original assessed value of the district as a result of enlargements thereof shall be equal to the assessed value of the added real property as most recently certified by the commissioner of revenue as of the date of modification of the tax increment financing plan pursuant to section 469.175, subdivision 4. *For districts approved under section 469.175, subdivision 3, after April 1, 1988, if the assessed value of a property increases because the property no longer qualifies under the Minnesota agricultural property tax law, section 273.111; the Minnesota open space property tax law, section 273.112; or the metropolitan agricultural preserves act, chapter 473H, the increase in assessed value must be added to the original assessed value.* Each year the auditor shall also add to the original assessed value of each economic development district an amount equal to the original assessed value for the preceding year multiplied by the average percentage increase in the assessed valuation of all property included in the economic development district during the five years prior to certification of the district. The amount to be subtracted from the original assessed value of the district as a result of previously taxable real property within the district becoming tax exempt, or a reduction in the geographic area of the district, shall be the amount of original assessed value initially attributed to the property becoming tax exempt or being removed from the district. If the assessed value of property located within the tax increment financing district is reduced by reason of a court-ordered abatement, stipulation agreement, voluntary abatement made by the assessor or auditor or by order of the commissioner of revenue, the reduction shall be applied to the original assessed value of the district when the property upon which the abatement is made has not been improved since the date of certification of the district and to the captured assessed value of the district in each year thereafter when the abatement relates to improvements made after the date of certification. The county auditor may specify reasonable form and content of the request for certification of the authority and any modification thereof pursuant to section 469.175, subdivision 4.

Sec. 16. Minnesota Statutes 1987 Supplement, section 469.177, subdivision 3, is amended to read:

Subd. 3. [TAX INCREMENT, RELATIONSHIP TO CHAPTER 473F.]

(a) Unless the governing body elects pursuant to clause (b) the following method of computation shall apply:

(1) The original assessed value and the current assessed value shall be determined before the application of the fiscal disparity provisions of chapter 473F. Where the original assessed value is equal to or greater than the current assessed value, there is no captured assessed value and no tax increment determination. Where the original assessed value is less than the current assessed value, the difference between the original assessed value and the current assessed value is the captured assessed value. This amount less any portion thereof which the authority has designated, in its tax increment financing plan, to share with the local taxing districts is the retained captured assessed value of the authority.

(2) The county auditor shall exclude the retained captured assessed value of the authority from the taxable value of the local taxing districts in determining local taxing district mill rates. The mill rates so determined are to be extended against the retained captured assessed value of the authority as well as the taxable value of the local taxing districts. The tax generated by the extension of the local taxing district mill rates to the retained captured assessed value of the authority is the tax increment of the authority.

(b) The governing body may, by resolution approving the tax increment financing plan pursuant to section 469.175, subdivision 3, elect the following method of computation:

(1) The original assessed value shall be determined before the application of the fiscal disparity provisions of chapter 473F. The current assessed value shall exclude any fiscal disparity commercial-industrial assessed value increase between the original year and the current year multiplied by the fiscal disparity ratio determined pursuant to section 473F08, subdivision 6. Where the original assessed value is equal to or greater than the current assessed value, there is no captured assessed value and no tax increment determination. Where the original assessed value is less than the current assessed value, the difference between the original assessed value and the current assessed value is the captured assessed value. This amount less any portion thereof which the authority has designated, in its tax increment financing plan, to share with the local taxing districts is the retained captured assessed value of the authority.

(2) The county auditor shall exclude the retained captured assessed value of the authority from the taxable value of the local taxing districts in determining local taxing district mill rates. The mill rates so determined are to be extended against the retained captured assessed value of the authority as well as the taxable value of the local taxing districts. The tax generated by the extension of the local taxing district mill rates to the retained captured assessed value of the authority is the tax increment of the authority.

(3) An election by the governing body pursuant to ~~part~~ *paragraph* (b) shall be submitted to the county auditor by the authority at the time of the request for certification pursuant to subdivision 1.

(c) The method of computation of tax increment applied to a district pursuant to ~~clause~~ *paragraph* (a) or (b) shall remain the same for the duration of the district, *except that the governing body may elect to change its election from the method of computation in paragraph (a) to the method*

in paragraph (b).

Sec. 17. Minnesota Statutes 1987 Supplement, section 469.177, is amended by adding a subdivision to read:

Subd. 3a. [PAYMENT TO SCHOOL DISTRICT FOR REFERENDUM LEVY INCREASE.] If a tax increment financing district is located in a school district in which the voters have approved new millage or an increase in millage pursuant to section 124A.03, subdivision 2, the authority must pay to the school district the amount raised by the new or increased millage. The amount to be paid to the school district must be computed as follows:

(1) Subtract the mill rate approved by the voters of the school district pursuant to section 124A.03, subdivision 2, as of June 30, 1988, or the date the tax increment financing district was certified, whichever is later, and still in effect on the date the levy is certified, from the mill rate approved by the voters under that section as of the date the levy is certified. If the result is less than zero, select zero.

(2) Multiply the result in clause (1) by the ratio of the school district's actual levy certified pursuant to section 124A.03, subdivision 2, to its permitted levy under that section.

(3) Multiply the result in clause (2) by the retained captured assessed value of the authority located within that school district as of January 2 of the year in which the levy is certified.

The county auditor must compute the payment required by this subdivision and report the amount to the authority, the school district, and the commissioner of education by March 1 of each year. The payment must be made by November 1 of the year in which the property taxes are payable.

Sec. 18. Minnesota Statutes 1987 Supplement, section 469.177, subdivision 4, is amended to read:

Subd. 4. [PRIOR PLANNED IMPROVEMENTS.] The authority shall, after diligent search, accompany its request for certification to the county auditor pursuant to subdivision 1, or its notice of district enlargement pursuant to section 469.175, subdivision 4, with a listing of all properties within the tax increment financing district or area of enlargement for which building permits have been issued during the 18 months immediately preceding approval of the tax increment financing plan by the municipality pursuant to section 469.175, subdivision 3. The county auditor shall increase the original assessed value of the district by the assessed valuation of the improvements each improvement for which a building permit was issued, excluding the assessed valuation of improvements for which a building permit was issued during the three-month period immediately preceding said approval of the tax increment financing plan, as certified by the assessor during the 18-month period immediately preceding approval of the plan, as well as by the assessed valuation of each improvement for which a building permit is issued during the three-month period immediately following approval of the plan. In the case of a permit issued during the three-month period immediately before or the three-month period immediately after approval of the plan, the county auditor shall not increase the original assessed value if the authority has financed an improvement to the parcel or to an immediately adjacent parcel pursuant to this tax increment plan that occurs within three years of the certification of the district.

Sec. 19. Minnesota Statutes 1987 Supplement, section 469.179, is amended to read:

469.179 [EXISTING PROJECTS.]

Subdivision 1. [EXEMPTION.] The provisions of sections 469.174 to 469.178 shall not affect any project for which tax increment certification was requested pursuant to law prior to August 1, 1979, or any project carried on by an authority pursuant to section 469.033, subdivision 5, with respect to which the governing body has by resolution designated properties for inclusion in the district prior to August 1, 1979, except:

(1) as otherwise expressly provided in sections 469.174 to 469.178; or
(2) as an authority elects to proceed with an existing district, under the provisions of sections 469.174 to 469.178; or

(3) that any enlargements of the geographic area of an existing tax increment financing district subsequent to August 1, 1979, shall be accomplished in accordance with and shall subject the property added as a result of the enlargement to the terms and conditions of sections 469.174 to 469.178 as provided in subdivision 2; or

(4) that beginning with taxes payable in 1980, section 469.177, subdivision 3, clause (b), shall apply to all development districts created pursuant to Minnesota Statutes 1978, chapter 472A, or any special law, prior to August 1, 1979.

Subd. 2. [APPLICATION TO EXISTING DISTRICTS.] If the development or redevelopment activity within the project or district of a tax increment financing project certified prior to August 1, 1979, is extended beyond the scope of activity set forth in the district's redevelopment plan under Minnesota Statutes, chapter 462, or Minnesota Statutes, chapter 472A, if applicable, after April 1, 1988, the authority must with regard to the new activity conform to the provisions of sections 469.174 to 469.178 with the following exceptions.

(a) Section 469.175, subdivision 3, paragraphs (1) and (5), shall not apply. Furthermore, the provisions of section 473E02, subdivision 3, shall continue to apply to the entire district, if applicable.

(b) Section 469.177, subdivision 3, shall not apply.

Sec. 20. Minnesota Statutes 1986, section 475.51, subdivision 5, is amended to read:

Subd. 5. "Assessed value" means the latest valuation for purposes of taxation, as finally equalized, of all property taxable within the municipality but not including captured assessed value under section 469.174, subdivision 4, or any other law permitting collection of tax increments.

Sec. 21. [EFFECTIVE DATE.]

Except as provided otherwise, sections 2, 5, 6, 7, and 18 are effective for districts approved under section 469.175, subdivision 3, after April 1, 1988. Sections 8, 13, 16, and 19 are effective April 1, 1988. The amendment to clause (c) of section 11 is effective for expenditures after April 1, 1988, except to the extent that the authority had entered into a binding contract before March 31, 1988, to make expenditures prohibited by that section. Section 17 applies to taxes levied in 1988, payable in 1989, and thereafter, as a result of a referendum held after December 31, 1986, and

applies to tax increment districts created before or after the date of enactment of this act. Section 20 is effective for bonds issued after March 31, 1988."

Delete the title and insert:

"A bill for an act relating to local government; including certain parcels in a tax increment financing district located in the city of Virginia; providing or altering certain requirements for the use of tax increment financing; amending Minnesota Statutes 1986, section 475.51, subdivision 5; Minnesota Statutes 1987 Supplement, sections 469.174, subdivisions 7, 10, and by adding a subdivision; 469.175, subdivisions 1, 2, 3, 4, and by adding a subdivision; 469.176, subdivisions 1, 4, 5, 6, and by adding a subdivision; 469.177, subdivisions 1, 3, 4, and by adding a subdivision; and 469.179; proposing coding for new law in Minnesota Statutes, chapter 469."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Chmielewski from the Committee on Employment, to which was referred

S.F. No. 2428: A bill for an act relating to workers' compensation; regulating workers' compensation benefits and administration; regulating workers' compensation insurance; requiring certain reports relating to workers' compensation; amending Minnesota Statutes 1986, sections 79.251, subdivisions 2, 3, and 4; 79.252, subdivision 1; 176.011, subdivision 18, and by adding a subdivision; 176.021, subdivision 3; 176.061, subdivision 10; 176.101, subdivisions 1, 2, 4, 5, and 6, and by adding a subdivision; 176.102, subdivisions 1, 7, 9, and 11; 176.105, subdivision 1; 176.111, subdivisions 6, 7, 8, 12, 14, and 20; 176.131, subdivisions 2, 3, and 4; 176.132, subdivisions 1 and 2; 176.135, by adding a subdivision; 176.645, subdivision 2; 176.66, subdivision 11; 176.82; Minnesota Statutes 1987 Supplement, sections 176.102, subdivisions 3, 3a, and 4; 176.111, subdivisions 15 and 21; and 176.131, subdivisions 1 and 8; proposing coding for new law in Minnesota Statutes, chapters 79 and 176; repealing Minnesota Statutes 1986, sections 79.50; 79.51; 79.52; 79.53; 79.54; 79.55; 79.56; 79.57; 79.58; 79.59; 79.60; 79.61; and 79.62; 176.011, subdivision 26; and 176.101, subdivisions 3a to 3u.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1
WORKERS' COMPENSATION SYSTEM CHANGES

Section 1. Minnesota Statutes 1986, section 176.011, subdivision 11a, is amended to read:

Subd. 11a. [FAMILY FARM.] "Family farm" means any farm operation which (1) pays or is obligated to pay less than ~~\$8,000~~ \$20,000 in cash wages, exclusive of machine hire, to farm laborers for services rendered during the preceding calendar year, and (2) has total liability and medical payment coverage equal to \$250,000 and \$5,000, respectively, under a farm liability insurance policy. For purposes of this subdivision, farm laborer does not include any spouse, parent or child, regardless of age, of

a farmer employed by the farmer, or any executive officer of a family farm corporation as defined in section 500.24, subdivision 2, or any spouse, parent or child, regardless of age, of such an officer employed by that family farm corporation, or other farmers in the same community or members of their families exchanging work with the employer. Notwithstanding any law to the contrary, a farm laborer shall not be considered as an independent contractor for the purposes of this chapter; provided that a commercial baler or commercial thresher shall be considered an independent contractor.

Sec. 2. Minnesota Statutes 1986, section 176.011, subdivision 18, is amended to read:

Subd. 18. [WEEKLY WAGE.] "Weekly wage" is arrived at by multiplying the daily wage by the number of days and fractional days normally worked in the business of the employer for the employment involved. If the employee normally works less than five days per week or works an irregular number of days per week, the number of days normally worked shall be computed by dividing the total number of days in which the employee actually performed any of the duties of employment in the last 26 weeks by the number of weeks in which the employee actually performed such duties, provided that the weekly wage for part time employment during a period of seasonal or temporary layoff shall be computed on the number of days and fractional days normally worked in the business of the employer for the employment involved. If, at the time of the injury, the employee was regularly employed by two or more employers, the employee's days of work for all such employments shall be included in the computation of weekly wage. Occasional overtime is not to be considered in computing the weekly wage, but if overtime is regular or frequent throughout the year it shall be taken into consideration. The maximum weekly compensation payable to an employee, or to the employee's dependents in the event of death, shall not exceed ~~66~~ ^{2/3} 80 percent of the product of the daily wage times the number of days normally worked employee's after-tax weekly wage, provided that the compensation payable for permanent partial disability under section 176.101, subdivision 3, and for permanent total disability under section 176.101, subdivision 4, or death under section 176.111, shall not be computed on less than the number of hours normally worked in the employment or industry in which the injury was sustained, subject also to such maximums as are specifically otherwise provided.

Sec. 3. Minnesota Statutes 1986, section 176.011, is amended by adding a subdivision to read:

Subd. 18a. [AFTER-TAX WEEKLY WAGE.] *After-tax weekly wage means the weekly wage reduced by the amounts required to be withheld by the Federal Insurance Contributions Act, United States Code, Title 16, sections 3101 to 3126, but without regard to the yearly maximum, and by state and federal income tax laws using as the number of allowances the number of exemptions that the employee is entitled to under federal law for the employee and the employee's dependents.*

Sec. 4. Minnesota Statutes 1986, section 176.021, subdivision 3, is amended to read:

Subd. 3. [COMPENSATION, COMMENCEMENT OF PAYMENT.] All employers shall commence payment of compensation at the time and in the manner prescribed by this chapter without the necessity of any agreement or any order of the division. Except for medical, burial, and other

nonperiodic benefits, payments shall be made as nearly as possible at the intervals when the wage was payable; provided, however, that payments for permanent partial disability shall be governed by section 176.101. If doubt exists as to the eventual permanent partial disability, payment for the economic recovery compensation or impairment compensation, whichever is due, pursuant to section 176.101, shall be then made when due for the minimum permanent partial disability ascertainable, and further payment shall be made upon any later ascertainment of greater permanent partial disability. Prior to or at the time of commencement of the payment of economic recovery compensation or lump sum or periodic payment of impairment compensation permanent partial disability compensation, the employee and employer shall be furnished with a copy of the medical report upon which the payment is based and all other medical reports which the insurer has that indicate a permanent partial disability rating, together with a statement by the insurer as to whether the tendered payment is for minimum permanent partial disability or final and eventual disability. After receipt of all reports available to the insurer that indicate a permanent partial disability rating, the employee shall make available or permit the insurer to obtain any medical report that the employee has or has knowledge of that contains a permanent partial disability rating which the insurer does not already have. Economic recovery compensation or impairment compensation pursuant to section 176.101 is payable in addition to but not concurrently with compensation for temporary total disability but is payable pursuant to section 176.101. Impairment compensation is payable concurrently and in addition to compensation for permanent total disability pursuant to section 176.101. Economic recovery compensation or impairment compensation pursuant to section 176.101 shall be withheld pending completion of payment for temporary total disability, and no credit shall be taken for payment of economic recovery compensation or impairment compensation against liability for temporary total or future permanent total disability. Liability on the part of an employer or the insurer for disability of a temporary total, temporary partial, and permanent total nature shall be considered as a continuing product and part of the employee's inability to earn or reduction in earning capacity due to injury or occupational disease and compensation is payable accordingly, subject to section 176.101. Economic recovery compensation or impairment compensation is payable for functional loss of use or impairment of function, permanent in nature, and payment therefore shall be separate, distinct, and in addition to payment for any other compensation, subject to section 176.101. The right to receive temporary total, temporary partial, or permanent total disability payments vests in the injured employee or the employee's dependents under this chapter or, if none, in the employee's legal heirs at the time the disability can be ascertained and the right is not abrogated by the employee's death prior to the making of the payment.

The right to receive economic recovery compensation or impairment permanent partial compensation vests in an injured employee at the time the disability can be ascertained provided that the employee lives for at least 30 days beyond the date of the injury. Upon the death of an employee who is receiving economic recovery compensation or impairment compensation, further compensation is payable pursuant to section 176.101. Impairment compensation is payable under this paragraph if vesting has occurred, the employee dies prior to reaching maximum medical improvement, and the requirements and conditions under section 176.101, subdivision 3e, are not met.

Disability ratings for permanent partial disability shall be based on objective medical evidence.

Sec. 5. Minnesota Statutes 1987 Supplement, section 176.041, subdivision 4, is amended to read:

Subd. 4. [OUT-OF-STATE EMPLOYMENTS.] (a) Except as provided in paragraph (b), if an employee who regularly performs the primary duties of employment outside of this state or is hired to perform the primary duties of employment outside of this state, receives an injury within this state in the employ of the same employer, such injury shall be covered within the provisions of this chapter if the employee chooses to forego any workers' compensation claim resulting from the injury that the employee may have a right to pursue in some other state, provided that the special compensation fund is not liable for payment of benefits pursuant to section 176.183 if the employer is not insured against workers' compensation liability pursuant to this chapter and the employee is a nonresident of Minnesota on the date of the personal injury.

(b) An employee who has been hired outside of this state, or regularly performs the primary duties of employment outside of this state, and his employer with respect to that employee, are exempt from the provisions of this chapter while the employee is temporarily within this state performing work for the employer provided the employer has furnished workers' compensation insurance coverage under the workers' compensation law or other similar law of another state which covers the employee's employment while in this state. The benefits under the workers' compensation law or similar law of the other state, or other remedies under that law, are the exclusive remedy against the employer for any injury, whether resulting in death or not, received by the employee while working for that employer within this state. A certificate from the commissioner of labor and industry or other similar official of another state certifying that the employer is insured in that state and has provided extraterritorial coverage insuring its employees while working within this state is prima facie evidence that the employer carries workers' compensation insurance on those employees.

Sec. 6. Minnesota Statutes 1986, section 176.061, subdivision 10, is amended to read:

Subd. 10. [INDEMNITY.] Notwithstanding the provisions of chapter 65B or any other law to the contrary, an employer has a right of indemnity for any compensation paid or payable pursuant to this chapter, including temporary total compensation, temporary partial compensation, permanent partial disability, ~~economic recovery compensation, impairment compensation,~~ medical compensation, rehabilitation, death, and permanent total compensation.

Sec. 7. Minnesota Statutes 1986, section 176.081, subdivision 1, is amended to read:

Subdivision 1. (a) A fee for legal services of 25 percent of the first \$4,000 of compensation awarded to the employee and 20 percent of the next \$27,500 of compensation awarded to the employee is permissible and does not require approval by the commissioner, compensation judge, or any other party except as provided in ~~clause~~ paragraph (b). If the employer or the insurer or the defendant is given written notice of claims for legal services or disbursements, the claim shall be a lien against the amount paid or payable as compensation. In no case shall fees be calculated on the basis

of any undisputed portion of compensation awards. Allowable fees under this chapter shall be based solely upon genuinely disputed portions of claims, including disputes related to the payment of rehabilitation benefits or to other aspects of a rehabilitation plan. Fees for administrative conferences under ~~section 176.242, 176.2421, 176.243, or 176.244~~ *sections 176.106 and 176.239* shall be determined on an hourly basis, according to the criteria in subdivision 5.

(b) An attorney who is claiming legal fees ~~under this section~~ *for representing an employee in a workers' compensation matter* shall file a statement of attorney's fees with the commissioner, compensation judge before whom the matter was heard, or workers' compensation court of appeals on cases before the court. A copy of the signed retainer agreement shall also be filed. The employee and insurer shall receive a copy of the statement. The statement shall be on a form prescribed by the commissioner and shall clearly and conspicuously state that the employee or insurer has ten calendar days to object to the attorney fees requested. If no objection is timely made by the employee or insurer, the amount requested shall be conclusively presumed reasonable providing the amount does not exceed the limitation in subdivision 1. The commissioner, compensation judge, or court of appeals shall issue an order granting the fees and the amount requested shall be awarded to the party requesting the fee. If a timely objection is filed, or the fee is determined on an hourly basis, the commissioner, compensation judge, or court of appeals shall review the matter and make a determination based on the criteria in subdivision 5. If no timely objection is made by an employer or insurer, reimbursement under subdivision 7 shall be made if the statement of fees requested this reimbursement.

(c) *Private attorneys representing employers and insurers may not charge a fee for legal services of more than \$6,500 unless the additional fee is approved under subdivision 2.*

Sec. 8. Minnesota Statutes 1987 Supplement, section 176.081, subdivision 2, is amended to read:

Subd. 2. An application for attorney fees in excess of the amount authorized in subdivision 1 shall be made to the commissioner, compensation judge, or district judge, before whom the matter was heard. An appeal of a decision by the commissioner, a compensation judge, or district court judge on additional fees may be made to the workers' compensation court of appeals. The application shall set forth the fee requested ~~and, the number of hours spent on the case,~~ the basis for the request, and whether or not a hearing is requested. The application, with affidavit of service upon the ~~employee attorney's client,~~ shall be filed by the attorney requesting the fee. If a hearing is requested by an interested party, a hearing shall be set with notice of the hearing served upon known interested parties. In all cases the employee shall be served with notice of hearing.

Sec. 9. Minnesota Statutes 1986, section 176.081, subdivision 3, is amended to read:

Subd. 3. ~~An employee who~~ *A party that* is dissatisfied with its attorney fees, may file an application for review by the workers' compensation court of appeals. Such application shall state the basis for the need of review and whether or not a hearing is requested. A copy of such application shall be served upon the *party's* attorney ~~for the employee~~ by the court administrator and if a hearing is requested by either party, the matter shall be

set for hearing. The notice of hearing shall be served upon known interested parties. ~~The attorney for the employee shall be served with a notice of the hearing.~~ The workers' compensation court of appeals shall have the authority to raise ~~the question~~ of the issue of the attorney fees at any time upon its own motion and shall have continuing jurisdiction over attorney fees.

Sec. 10. Minnesota Statutes 1986, section 176.101, subdivision 1, is amended to read:

Subdivision 1. [TEMPORARY TOTAL DISABILITY.] (a) For injury producing temporary total disability, the compensation is ~~66-2/3~~ 80 percent of the *after-tax* weekly wage at the time of injury.

~~(1) provided that during the year commencing on October 1, 1979, and each year thereafter, commencing on October 1, (b) The maximum weekly compensation payable is 110 percent of the statewide average weekly wage for the period ending December 31, of the preceding year.~~

~~(2) (c) The minimum weekly compensation benefits for temporary total disability shall be not less than 50 20 percent of the statewide average weekly wage or the injured employee's actual *after-tax* weekly wage, whichever is less. In no case shall a weekly benefit be less than 20 percent of the statewide average weekly wage.~~

~~(d) Subject to subdivisions 3a to 3u This compensation shall be paid during the period of disability, payment to be made at the intervals when the wage was payable, as nearly as may be, and shall cease whenever any one of the following occurs:~~

~~(1) the disability ends;~~

~~(2) the employee returns to work;~~

~~(3) the employee retires by withdrawing from the labor market;~~

~~(4) the employee refuses an offer of work that the employee can do in the employee's physical condition; or~~

~~(5) 90 days have passed after the employee has reached maximum medical improvement, except as provided in section 176.102, subdivision 11, paragraph (b);~~

~~(e) For purposes of paragraph (d), clause (5), the 90-day period after maximum medical improvement commences on the earlier of:~~

~~(1) the date that the employee receives a written medical report indicating that the employee has reached maximum medical improvement; or~~

~~(2) the date that the employer or insurer serves the report on the employee and the employee's legal representative and files a copy with the division.~~

~~(f) Once compensation has ceased under paragraph (d), clauses (1), (2), and (3), it may be recommenced at a later date if: the employee returns to work, the employee is laid off due to economic conditions or is medically unable to continue at the job, and the layoff or inability to continue occurs prior to 90 days after the employee reaches maximum medical improvement. Compensation recommenced under this paragraph is subject to cessation under paragraph (d). Recommenced compensation may not be paid beyond 90 days after the employee reaches maximum medical improvement, except as provided under section 176.102, subdivision 11, paragraph (b).~~

~~(g) Once compensation has ceased under paragraph (d), clauses (4) and~~

(5), it may not be recommended at a later date, except as provided under section 176.102, subdivision 11, paragraph (b).

Sec. 11. Minnesota Statutes 1986, section 176.101, subdivision 2, is amended to read:

Subd. 2. [TEMPORARY PARTIAL DISABILITY.] (a) In all cases of temporary partial disability the compensation shall be ~~66-2/3~~ 80 percent of the difference between the after-tax weekly wage of the employee at the time of injury and the after-tax weekly wage the employee is able to earn in the employee's partially disabled condition. This compensation shall be paid during the period of disability except as provided in this section, payment to be made at the intervals when the wage was payable, as nearly as may be, and subject to a maximum compensation equal to the statewide average weekly wage.

(b) Temporary partial compensation may be paid only while the employee is working and earning less than the employee's weekly wage at the time of the injury. Except as provided in section 176.102, subdivision 11, paragraph (b), temporary partial compensation may not be paid for more than 90 days after the employee reaches maximum medical improvement.

Sec. 12. Minnesota Statutes 1986, section 176.101, is amended by adding a subdivision to read:

Subd. 3. [PERMANENT PARTIAL DISABILITY.] (a) Compensation for permanent partial disability is as provided in this subdivision. For permanent partial disability up to the percent of the whole body shown in the following schedule, the amount of compensation is equal to the proportion that the loss of function of the disabled part bears to the whole body multiplied by the amount aligned with that percent in the following schedule:

Percent of Disability	Amount
0-25	\$ 75,000
26-30	80,000
31-35	85,000
36-40	90,000
41-45	95,000
46-50	100,000
51-55	120,000
56-60	140,000
61-65	160,000
66-70	180,000
71-75	200,000
76-80	240,000
81-85	280,000
86-90	320,000
91-95	360,000
96-100	400,000

An employee may not receive compensation for more than a 100 percent disability of the whole body, even if the employee sustains disability to two or more body parts.

(b) Permanent partial disability is payable upon cessation of temporary total disability under subdivision 1. If the employee is not working, the compensation is payable in installments at the same intervals and in the same amount as the initial temporary total disability rate. If the employee

returns to work, the remaining compensation is payable in a lump sum 30 days after the employee returned to work provided the employment has not been substantially interrupted by the injury for any part of the 30 days and the employee is still employed at the job at the end of the period.

Sec. 13. Minnesota Statutes 1986, section 176.101, subdivision 4, is amended to read:

Subd. 4. [PERMANENT TOTAL DISABILITY.] For permanent total disability, as defined in subdivision 5, the compensation shall be ~~66-2/3~~ 80 percent of the ~~daily~~ after-tax weekly wage at the time of the injury, subject to a maximum weekly compensation equal to the maximum weekly compensation for a temporary total disability and a minimum weekly compensation equal to the minimum weekly compensation for a temporary total disability. This compensation shall be paid during the permanent total disability of the injured employee but after a total of \$25,000 of weekly compensation has been paid, the amount of the weekly compensation benefits being paid by the employer shall be reduced by the amount of any disability benefits being paid by any government disability benefit program if the disability benefits are occasioned by the same injury or injuries which give rise to payments under this subdivision. This reduction shall also apply to any old age and survivor insurance benefits. Payments shall be made at the intervals when the wage was payable, as nearly as may be. In case an employee who is permanently and totally disabled becomes an inmate of a public institution, no compensation shall be payable during the period of confinement in the institution, unless there is wholly dependent on the employee for support some person named in section 176.111, subdivision 1, 2 or 3, in which case the compensation provided for in section 176.111, during the period of confinement, shall be paid for the benefit of the dependent person during dependency. The dependency of this person shall be determined as though the employee were deceased.

Sec. 14. Minnesota Statutes 1986, section 176.101, subdivision 5, is amended to read:

Subd. 5. [TOTAL DISABILITY DEFINITION.] (a) For purposes of subdivision 4, permanent total disability means only:

(1) the total and permanent loss of the sight of both eyes, the loss of both arms at the shoulder, the loss of both legs so close to the hips that no effective artificial members can be used, complete and permanent paralysis, total and permanent loss of mental faculties; or

(2) any other injury which both results in permanent partial disability of 25 percent or more of the whole body and totally and permanently incapacitates the employee from working at an occupation which brings the employee an income constitutes total disability.

(b) For purposes of paragraph (a), clause (2), totally and permanently incapacitated means that the employee's physical disability, in combination with his age, education and training, and experience, causes the employee to be unable to secure anything more than sporadic employment resulting in an insubstantial income. Local labor market conditions may not be considered in making the total and permanent incapacitation determination.

Sec. 15. Minnesota Statutes 1986, section 176.102, subdivision 1, is amended to read:

Subdivision 1. [SCOPE.] (a) This section only applies to vocational

rehabilitation of injured employees and their spouses as provided under subdivision 1a. Physical rehabilitation of injured employees is considered treatment subject to section 176.135.

(b) Rehabilitation is intended to restore the injured employee, ~~through physical and vocational rehabilitation,~~ so the employee may return to a job related to the employee's former employment or to a job in another work area which produces an economic status as close as possible to that the employee would have enjoyed without disability. Rehabilitation to a job with a higher economic status than would have occurred without disability is permitted if it can be demonstrated that this rehabilitation is necessary to increase the likelihood of reemployment. Economic status is to be measured not only by opportunity for immediate income but also by opportunity for future income.

Sec. 16. Minnesota Statutes 1987 Supplement, section 176.102, subdivision 2, is amended to read:

Subd. 2. [ADMINISTRATORS.] The commissioner shall hire a director of rehabilitation services in the classified service. The commissioner shall monitor and supervise rehabilitation services, including, but not limited to, making determinations regarding the selection and delivery of rehabilitation services and the criteria used to approve qualified rehabilitation consultants and rehabilitation vendors. The commissioner may also make determinations regarding fees for rehabilitation services *and shall by rule, subject to chapter 14, establish a fee schedule or otherwise limit fees charged by qualified rehabilitation consultants and vendors.* The commissioner may hire qualified personnel to assist in the commissioner's duties under this section and may delegate the duties and performance.

Sec. 17. Minnesota Statutes 1987 Supplement, section 176.102, subdivision 3, is amended to read:

Subd. 3. [REVIEW PANEL.] There is created a rehabilitation review panel composed of the commissioner or a designee, who shall serve as an ex officio member and ~~two members one member each from representing employers, insurers, rehabilitation, and medicine, one member representing chiropractors, and four~~ *two members each representing labor and rehabilitation vendors, and six members who are qualified rehabilitation consultants.* The members shall be appointed by the commissioner and shall serve four-year terms which may be renewed. Compensation for members shall be governed by section 15.0575. The panel shall select a chair. The panel shall review and make a determination with respect to appeals from orders of the commissioner regarding certification approval of qualified rehabilitation consultants and vendors. The hearings are de novo and initiated by the panel under the contested case procedures of chapter 14, and are appealable to the workers' compensation court of appeals in the manner provided by section 176.421.

Sec. 18. Minnesota Statutes 1987 Supplement, section 176.102, subdivision 3a, is amended to read:

Subd. 3a. [DISCIPLINARY ACTIONS.] The panel has authority to discipline qualified rehabilitation consultants and vendors and may impose a penalty of up to \$1,000 per violation, and may suspend or revoke certification. Complaints against registered qualified rehabilitation consultants and vendors shall be made to the commissioner who shall investigate all complaints. If the investigation indicates a violation of this chapter or rules

adopted under this chapter, the commissioner may initiate a contested case proceeding under the provisions of chapter 14. In these cases, the rehabilitation review panel shall make the final decision following receipt of the report of an administrative law judge. The decision of the panel is appealable to the workers' compensation court of appeals in the manner provided by section 176.421. The panel shall continuously study rehabilitation services and delivery, develop and recommend rehabilitation rules to the commissioner, and assist the commissioner in accomplishing public education.

The commissioner may appoint alternates for one-year terms to serve as a member when a member is unavailable. The number of alternates shall not exceed one labor member, one employer or insurer member, and one member representing medicine, chiropractic, or rehabilitation vendors, and one member representing qualified rehabilitation consultants.

Sec. 19. Minnesota Statutes 1987 Supplement, section 176.102, subdivision 4, is amended to read:

Subd. 4. [REHABILITATION PLAN; DEVELOPMENT.] (a) An employer or insurer shall provide rehabilitation consultation by a qualified rehabilitation consultant or by another person permitted by rule to provide consultation to an injured employee within five days after the employee has 60 days of lost work time due to the personal injury, except as otherwise provided in this subdivision. Where an employee has incurred an injury to the back, the consultation shall be made within five days after the employee has 30 days of lost work time due to the injury. The lost work time in either case may be intermittent lost work time. If an employer or insurer has medical information at any time prior to the time specified in this subdivision that the employee will be unable to return to the job the employee held at the time of the injury rehabilitation consultation shall be provided immediately after receipt of this information.

For purposes of this section "lost work time" means only those days during which the employee would actually be working but for the injury. In the case of the construction industry, mining industry, or other industry where the hours and days of work are affected by seasonal conditions, "lost work time" shall be computed by using the normal schedule worked when employees are working full time. A rehabilitation consultation must be provided by the employer to an injured employee upon request of the employee, the employer, or the commissioner. If a rehabilitation consultation is requested, the employer shall provide a qualified rehabilitation consultant; except that, if the injured employee objects to the employer's selection, the employee may select a qualified rehabilitation consultant of the employee's own choosing within 30 days following the first in-person contact between the employee and the original qualified rehabilitation consultant. If the consultation indicates that rehabilitation services are appropriate pursuant to subdivision 1, the employer shall provide such services.

(b) The qualified rehabilitation consultant appointed by the employer or insurer shall disclose in writing at the first meeting or written communication with the employee any ownership interest or affiliation between the firm which employs the qualified rehabilitation consultant and the employer, insurer, adjusting or servicing company, including the nature and extent of the affiliation or interest. The consultant shall also disclose to all parties

any affiliation, business referral or other arrangement between the consultant or the firm employing the consultant and any other party to the case, including or to any attorneys, doctors, or chiropractors.

If the employee objects to the employer's selection of a qualified rehabilitation consultant, the employee shall notify the employer and the commissioner in writing of the objection. The notification shall include the name, address, and telephone number of the qualified rehabilitation consultant chosen by the employee to provide rehabilitation consultation.

(c) After the initial provision or selection of a qualified rehabilitation consultant as provided under paragraph (a), the employee may choose request a different qualified rehabilitation consultant as follows:

(1) once during the first 60 days following the first in-person contact between the employee and the original consultant;

(2) once after the 60-day period referred to in clause (1); and

(3) subsequent requests which shall be determined granted or denied by the commissioner or compensation judge according to the best interests of the parties.

(d) The employee and employer shall enter into a program if one is prescribed in develop a rehabilitation plan within 30 days of the rehabilitation consultation if the qualified rehabilitation consultant determines that rehabilitation is appropriate. A copy of the plan, including a target date for return to work, shall be submitted to the commissioner within 15 days after the plan has been developed.

(b) (e) If the employer does not provide rehabilitation consultation, or the employee does not select a qualified rehabilitation consultant, as required by this section provided under paragraph (a), the commissioner or compensation judge shall notify the employer that if the employer fails to appoint provide, or the employee fails to select, whichever is applicable, a qualified rehabilitation consultant or other persons as permitted by clause (a) within 15 days to conduct a rehabilitation consultation, the commissioner or compensation judge shall appoint a qualified rehabilitation consultant to provide the consultation at the expense of the employer unless the commissioner or compensation judge determines the consultation is not required.

(e) (f) In developing a rehabilitation plan consideration shall be given to the employee's qualifications, including but not limited to age, education, previous work history, interest, transferable skills, and present and future labor market conditions.

(d) (g) The commissioner or compensation judge may waive rehabilitation services under this section if the commissioner or compensation judge is satisfied that the employee will return to work in the near future or that rehabilitation services will not be useful in returning an employee to work.

Sec. 20. Minnesota Statutes 1987 Supplement, section 176.102, subdivision 6, is amended to read:

Subd. 6. [PLAN, ELIGIBILITY FOR REHABILITATION, APPROVAL AND APPEAL.] The commissioner or a compensation judge shall determine eligibility for rehabilitation services and shall review, approve, modify,

or reject rehabilitation plans developed under subdivision 4. The commissioner or a compensation judge shall also make determinations regarding rehabilitation issues not necessarily part of a plan including, but not limited to, determinations regarding whether an employee is eligible for further rehabilitation and the benefits under subdivisions 9 and 11 to which an employee is entitled. *A plan that is not completed within six months or that will cost more than \$3,600 must be specifically approved by the commissioner. This approval may not be waived by the parties.*

Sec. 21. Minnesota Statutes 1986, section 176.102, subdivision 7, is amended to read:

Subd. 7. [PLAN IMPLEMENTATION; REPORTS.] (a) Upon request by the commissioner, insurer, employer or employee, ~~medical and~~ rehabilitation reports shall be made by the provider of the ~~medical and~~ rehabilitation service to the commissioner, insurer, employer, or employee.

(b) If a rehabilitation plan has not already been filed pursuant to subdivision 4, an employer shall report to the commissioner after 120 days from the date of the injury, but before 150 days therefrom, as to what rehabilitation consultation and services, if any, have been provided to the injured employee or why rehabilitation consultation and services have not been provided.

Sec. 22. Minnesota Statutes 1986, section 176.102, subdivision 11, is amended to read:

Subd. 11. [RETRAINING; COMPENSATION.] (a) Retraining is limited to 156 weeks. An employee who has been approved for retraining may petition ~~the commissioner~~ for additional compensation not to exceed 25 percent of the compensation otherwise payable. If the commissioner or compensation judge determines that this additional compensation is warranted due to unusual or unique circumstances of the employee's retraining plan, the commissioner or compensation judge may award additional compensation in an amount ~~the commissioner determines is appropriate~~, not to exceed the employee's request. This additional compensation shall cease at any time the commissioner or compensation judge determines the special circumstances are no longer present.

(b) Pursuant to section 176.101, subdivisions 1 and 2, temporary total disability or temporary partial disability shall be paid during a retraining plan that has been specifically approved under this section and for up to 90 days after the end of the plan; except that, payment during the 90-day period is subject to cessation in accordance with section 176.101, subdivision 1, paragraph (d), clauses (1) to (4). Compensation paid under this paragraph must cease if the employee terminates participation in the approved retraining plan without good cause.

Sec. 23. Minnesota Statutes 1986, section 176.105, subdivision 1, is amended to read:

Subdivision 1. (a) The commissioner of labor and industry shall by rule establish a schedule of degrees of disability resulting from different kinds of injuries. *The commissioner, in consultation with the medical services review board, shall annually review these rules to determine whether any injuries omitted from the schedule should be compensable and, if so, amend the rules accordingly.*

(b) Disability ratings for permanent partial disability must be based on

objective medical evidence.

Sec. 24. Minnesota Statutes 1986, section 176.111, subdivision 6, is amended to read:

Subd. 6. [SPOUSE, NO DEPENDENT CHILD.] If the deceased employee leaves a dependent surviving spouse and no dependent child, there shall be paid to the spouse weekly workers' compensation benefits at 50 80 percent of the *after-tax* weekly wage at the time of the injury for a period of ten years, including adjustments as provided in section 176.645.

Sec. 25. Minnesota Statutes 1986, section 176.111, subdivision 7, is amended to read:

Subd. 7. [SPOUSE, ONE DEPENDENT CHILD.] If the deceased employee leaves a surviving spouse and one dependent child, there shall be paid to the surviving spouse for the benefit of the spouse and child 60 80 percent of the *daily after-tax weekly* wage at the time of the injury of the deceased until the child is no longer a dependent as defined in subdivision 1. ~~At that time there shall be paid to the dependent surviving spouse weekly benefits at a rate which is 16 2/3 percent less than the last weekly workers' compensation benefit payment, as defined in subdivision 8a, while the surviving child was a dependent, for a period of ten years, including adjustments as provided in section 176.645.~~

Sec. 26. Minnesota Statutes 1986, section 176.111, subdivision 8, is amended to read:

Subd. 8. [SPOUSE, TWO DEPENDENT CHILDREN.] If the deceased employee leaves a surviving spouse and two dependent children, there shall be paid to the surviving spouse for the benefit of the spouse and children ~~66 2/3~~ 80 percent of the *daily after-tax weekly* wage at the time of the injury of the deceased until the last dependent child is no longer dependent. ~~At that time the dependent surviving spouse shall be paid weekly benefits at a rate which is 25 percent less than the last weekly workers' compensation benefit payment, as defined in subdivision 8a, while the surviving child was a dependent, for a period of ten years, adjusted according to section 176.645.~~

Sec. 27. Minnesota Statutes 1986, section 176.111, subdivision 12, is amended to read:

Subd. 12. [ORPHANS.] If the deceased employee leaves a dependent orphan, there shall be paid 55 80 percent of the *after-tax* weekly wage at the time of the injury of the deceased, for two or more orphans there shall be paid ~~66 2/3~~ 80 percent of the *wages after-tax weekly wage*.

Sec. 28. Minnesota Statutes 1986, section 176.111, subdivision 14, is amended to read:

Subd. 14. [PARENTS.] If the deceased employee leave no surviving spouse or child entitled to any payment under this chapter, but leaves both parents wholly dependent on deceased, there shall be paid to such parents jointly 45 80 percent of the *after-tax* weekly wage at the time of the injury of the deceased. In case of the death of either of the wholly dependent parents the survivor shall receive 35 80 percent of the *after-tax* weekly wage thereafter. If the deceased employee leave one parent wholly dependent on the deceased, there shall be paid to such parent 35 80 percent of the *after-tax* weekly wage at the time of the injury of the deceased employee. The compensation payments under this section shall not exceed the actual

contributions made by the deceased employee to the support of the employee's parents for a reasonable time immediately prior to the injury which caused the death of the deceased employee.

Sec. 29. Minnesota Statutes 1987 Supplement, section 176.111, subdivision 15, is amended to read:

Subd. 15. [REMOTE DEPENDENTS.] If the deceased employee leaves no surviving spouse or child or parent entitled to any payment under this chapter, but leaves a grandparent, grandchild, brother, sister, mother-in-law, or father-in-law wholly dependent on the employee for support, there shall be paid to such dependent, if but one, ~~30~~ 40 percent of the *after-tax* weekly wage at the time of injury of the deceased, or if more than one, ~~35~~ 45 percent of the *after-tax* weekly wage at the time of the injury of the deceased, divided among them share and share alike.

Sec. 30. Minnesota Statutes 1986, section 176.111, subdivision 20, is amended to read:

Subd. 20. [ACTUAL DEPENDENTS, COMPENSATION.] Actual dependents are entitled to take compensation in the order named in subdivision 3 during dependency until ~~66-2/3~~ 80 percent of the *after-tax* weekly wage of the deceased at the time of injury is exhausted. The total weekly compensation to be paid to full actual dependents of a deceased employee shall not exceed in the aggregate an amount equal to the maximum weekly compensation for a temporary total disability.

Sec. 31. Minnesota Statutes 1987 Supplement, section 176.111, subdivision 21, is amended to read:

Subd. 21. [DEATH, BENEFITS; COORDINATION WITH GOVERNMENTAL SURVIVOR BENEFITS.] The following provision shall apply to any dependent entitled to receive weekly compensation benefits under this section as the result of the death of an employee, and who is also receiving or entitled to receive benefits under any government survivor program:

The combined total of weekly government survivor benefits and workers' compensation death benefits provided under this section shall not exceed 100 percent of the *after-tax* weekly wage being earned by the deceased employee at the time of the injury causing death; provided, however, that no state workers' compensation death benefit shall be paid for any week in which the survivor benefits paid under the federal program, by themselves, exceed 100 percent of such weekly wage provided, however, the workers' compensation benefits payable to a dependent surviving spouse shall not be reduced on account of any governmental survivor benefits payable to decedent's children if the support of the children is not the responsibility of the dependent surviving spouse.

For the purposes of this subdivision "dependent" means dependent surviving spouse together with all dependent children and any other dependents. For the purposes of this subdivision, mother's or father's insurance benefits received pursuant to United States Code, title 42, section 402(g), are benefits under a government survivor program.

Sec. 32. Minnesota Statutes 1987 Supplement, section 176.131, subdivision 1, is amended to read:

Subdivision 1. If an employee incurs personal injury and suffers disability from that injury alone that is substantially greater, because of a preexisting physical impairment, than what would have resulted from the personal

injury alone, the employer or insurer shall pay all compensation provided by this chapter, but the employer shall be reimbursed from the special compensation fund for all compensation paid in excess of 52 weeks of monetary benefits and ~~\$2,000~~ \$3,500 in medical expenses, subject to the exceptions in paragraphs (a), (b), and (c):

(a) If the disability caused by the subsequent injury is made substantially greater by the employee's registered preexisting physical impairment, there shall be apportionment of liability among all injuries. The special compensation fund shall only reimburse for that portion of the compensation, medical expenses, and rehabilitation expenses attributed to the subsequent injury after the applicable deductible has been met.

(b) If the subsequent personal injury alone results in permanent partial disability to a scheduled member under the schedule adopted by the commissioner pursuant to section 176.105, the special compensation fund shall not reimburse permanent partial disability, medical expenses, or rehabilitation expenses.

(c) *Reimbursement for compensation paid shall be at the rate of 75 percent.*

Sec. 33. Minnesota Statutes 1986, section 176.131, subdivision 1a, is amended to read:

Subd. 1a. If an employee is employed in an on-the-job training program pursuant to an approved rehabilitation plan under section 176.102 and the employee incurs a personal injury that aggravates the personal injury for which the employee has been certified to enter the on-the-job training program, the on-the-job training employer shall pay the medical expenses and compensation required by this chapter, and shall be reimbursed from the special compensation fund for the compensation and medical expense that is attributable to the aggravated injury; *except that, reimbursement for compensation paid shall be at the rate of 75 percent.* The employer, at the time of the personal injury for which the employee has been approved for on-the-job training, is liable for the portion of the disability that is attributable to that injury.

Sec. 34. Minnesota Statutes 1986, section 176.131, subdivision 2, is amended to read:

Subd. 2. If the employee's personal injury results in disability or death, and if the injury, death, or disability would not have occurred except for the preexisting physical impairment registered with the special compensation fund, the employer shall pay all compensation provided by this chapter, and shall be fully reimbursed from the special compensation fund for the compensation, except that:

(1) this full reimbursement shall not be made for cardiac disease or a condition registered pursuant to subdivision 8, clause (t) or (u), unless the commissioner by rule provides otherwise; and

(2) *reimbursement for compensation paid shall be at the rate of 75 percent.*

Sec. 35. Minnesota Statutes 1986, section 176.131, subdivision 4, is amended to read:

Subd. 4. Any employer who hires or retains in its employment any person who has a physical impairment of *at least 25 percent of the whole body*

shall file a formal registration for the employee with the commissioner on a form prescribed by the commissioner.

Sec. 36. Minnesota Statutes 1987 Supplement, section 176.131, subdivision 8, is amended to read:

Subd. 8. As used in this section the following terms have the meanings given them:

“Physical impairment” means any physical or mental condition that is permanent in nature, whether congenital or due to injury, disease or surgery and which is or is likely to be a hindrance or obstacle to obtaining employment except that physical impairment is limited to the following:

- (a) Epilepsy,
- (b) Diabetes,
- (c) Hemophilia,
- (d) Cardiac disease, provided that objective medical evidence substantiates at least the minimum permanent partial disability listed in the workers' compensation permanent partial disability schedule,
- (e) Partial or entire absence of thumb, finger, hand, foot, arm or leg,
- (f) Lack of sight in one or both eyes or vision in either eye not correctable to 20/40,
- (g) Residual disability from poliomyelitis,
- (h) Cerebral Palsy,
- (i) Multiple Sclerosis,
- (j) Parkinson's disease,
- (k) Cerebral vascular accident,
- (l) Chronic Osteomyelitis,
- (m) Muscular Dystrophy,
- (n) Thrombophlebitis,
- (o) Brain tumors,
- (p) Pott's disease,
- (q) Seizures,
- (r) Cancer of the bone,
- (s) Leukemia,
- (t) Any other physical impairment resulting in a disability rating of at least ~~ten~~ 25 percent of the whole body if the physical impairment were evaluated according to standards used in workers' compensation proceedings, and
- (u) Any other physical impairments of a permanent nature which the commissioner may by rule prescribe;

“Compensation” has the meaning defined in section 176.011;

“Employer” includes insurer;

“Disability” means, unless otherwise indicated, any condition causing

either temporary total, temporary partial, permanent total, permanent partial, death, medical expense, or rehabilitation.

Sec. 37. Minnesota Statutes 1986, section 176.131, is amended by adding a subdivision to read:

Subd. 13. [APPLICABLE LAW.] The right to reimbursement under this section is governed by the law in effect on the date of the subsequent injury.

Sec. 38. Minnesota Statutes 1986, section 176.132, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBLE RECIPIENTS.] (a) An employee who has suffered personal injury prior to October 1, 1983 for which benefits are payable under section 176.101 and who has been totally disabled for more than 104 weeks shall be eligible for supplementary benefits as prescribed in this section after 104 weeks have elapsed and for the remainder of the total disablement. Regardless of the number of weeks of total disability, no totally disabled person is ineligible for supplementary benefits after four years have elapsed since the first date of the total disability, except as provided by clause (b); provided that all periods of disability are caused by the same injury.

(b) An employee who has suffered personal injury after October 1, 1983 is eligible to receive supplementary benefits after the employee has been receiving temporary total or permanent total benefits for 208 weeks. Regardless of the number of weeks of total disability, no person who is receiving temporary total compensation shall be ineligible for supplementary benefits after four years have elapsed since the first date of the total disability, provided that all periods of disability are caused by the same injury. An employee who has suffered personal injury that caused a permanent total disability, as defined in section 176.101, subdivision 5, is eligible to receive supplementary benefits after four years have elapsed since the first date of the total disability, provided that the employee continues to have a permanent total disability.

Sec. 39. Minnesota Statutes 1986, section 176.132, subdivision 2, is amended to read:

Subd. 2. [AMOUNT.] (a) The supplementary benefit payable under this section shall be the difference between the amount the employee receives on or after January 1, 1976, under section 176.101, subdivision 1 or 4, and 65 percent of the statewide average weekly wage as computed annually. The supplementary benefit payable under this section is:

(1) the sum of the amount the employee receives under section 176.101, subdivision 4, plus the amount of any disability benefits being paid by any government disability benefit program if those benefits are occasioned by the same injury or injuries giving rise to payments under section 176.101, subdivision 4, plus any old age and survivor's insurance benefits, subtracted from;

(2) 50 percent of the statewide average weekly wage, as computed annually.

(b) In the event an eligible recipient is currently receiving no compensation or is receiving a reduced level of compensation because of a credit being applied as the result of a third party liability or damages, the employer or insurer shall compute the offset credit as if the individual were entitled to the actual benefit or 65 50 percent of the statewide average weekly wage as computed annually, whichever is greater. If this results in the use of a

higher credit than otherwise would have been applied and the employer or insurer becomes liable for compensation benefits which would otherwise not have been paid, the additional benefits resulting shall be handled according to this section.

(c) In the event an eligible recipient is receiving no compensation or is receiving a reduced level of compensation because of a valid agreement in settlement of a claim, no supplementary benefit shall be payable under this section. Attorney's fees shall be allowed in settlements of claims for supplementary benefits in accordance with this chapter.

(d) In the event an eligible recipient is receiving no compensation or is receiving a reduced level of compensation because of prior limitations in the maximum amount payable for permanent total disability or because of reductions resulting from the simultaneous receipt of old age or disability benefits, the supplementary benefit shall be payable for the difference between the actual amount of compensation currently being paid and 65 percent of the statewide average weekly wage as computed annually.

(e) (d) In the event that an eligible recipient is receiving simultaneous benefits from any government disability program, the amount of supplementary benefits payable under this section shall be reduced by five percent. If the individual does not receive the maximum benefits for which the individual is eligible under other governmental disability programs due to the provisions of United States Code, title 42, section 424a(d), this reduction shall not apply.

Sec. 40. Minnesota Statutes 1986, section 176.132, subdivision 3, is amended to read:

Subd. 3. [PAYMENT.] The payment of supplementary benefits shall be the responsibility of the employer or insurer ~~currently paying total disability benefits, or any other payer of such benefits. When the eligible individual is not currently receiving benefits because the total paid has reached the maximum prescribed by law the employer and insurer shall, nevertheless, pay the supplementary benefits that are prescribed by law.~~ The employer or insurer paying the supplementary benefit shall have the right of full reimbursement from the special compensation fund for the amount of such benefits paid.

Sec. 41. Minnesota Statutes 1986, section 176.136, subdivision 1, is amended to read:

Subdivision 1. [SCHEDULE.] The commissioner shall by rule establish procedures for determining whether or not the charge for a health service is excessive. In order to accomplish this purpose, the commissioner shall consult with insurers, associations and organizations representing the medical and other providers of treatment services and other appropriate groups. The procedures established by the commissioner shall ~~must~~ limit the charges allowable for medical, chiropractic, podiatric, surgical, ~~hospital~~ and other health care provider treatment or services, as defined and compensable under section 176.135, to the 75th percentile of usual and customary fees or charges based upon billings for each class of health care provider during all of the calendar year preceding the year in which the determination is made of the amount to be paid the health care provider for the billing; *except that, the medical fee rules promulgated on October 1, 1987, and based upon 1986 medical cost data, must remain in effect until September 30, 1989, and the medical fee rules promulgated on October 1, 1989, must*

be based on the 1987 medical cost data and must remain in effect until September 30, 1990. The procedures established by the commissioner for determining whether or not the charge for a health service is excessive shall must be structured to encourage providers to develop and deliver services for rehabilitation of injured workers. The procedures shall must incorporate the provisions of sections 144.701, 144.702, and 144.703 to the extent that the commissioner finds that these provisions effectively accomplish the intent of this section or are otherwise necessary to insure that quality hospital care is available to injured employees.

Sec. 42. Minnesota Statutes 1986, section 176.645, subdivision 2, is amended to read:

Subd. 2. [TIME OF FIRST ADJUSTMENT.] For injuries occurring on or after October 1, 1981, the initial adjustment made pursuant to subdivision 1 shall be is deferred until the first anniversary of the date of the injury. For injuries occurring on or after October 1, 1988, the initial adjustment under subdivision 1 is deferred until 156 weeks after the date of injury.

Sec. 43. Minnesota Statutes 1986, section 176.66, subdivision 11, is amended to read:

Subd. 11. [AMOUNT OF COMPENSATION.] The compensation for an occupational disease is ~~66-2/3~~ 80 percent of the employee's after-tax weekly wage on the date of injury subject to a maximum compensation equal to the maximum compensation in effect on the date of last exposure. The employee shall be eligible for supplementary benefits notwithstanding the provisions of section 176.132, after four years have elapsed since the date of last significant exposure to the hazard of the occupational disease if that employee's weekly compensation rate is less than the current supplementary benefit rate.

Sec. 44. [176.90] [AFTER-TAX CALCULATION.]

For purposes of section 176.011, subdivision 18, section 176.101, subdivisions 1, 2, 3, and 4, section 176.111, subdivisions 6, 7, 8, 12, 14, 15, 20, and 21, and section 176.66, the commissioner shall publish by September 1 of each year tables or formulas for determining the after-tax weekly wage to take effect the following October 1. The tables or formulas must be based on the applicable federal income tax and social security laws and state income tax laws in effect on the preceding April 1. These tables or formulas are conclusive for the purposes of converting weekly wage into after-tax weekly wage. The commissioner may contract with the department of revenue or any other person or organization in order to adopt the tables or formulas. The adoption of the tables or formulas is exempt from the administrative rulemaking provisions of chapter 14.

Sec. 45. [176.95] [ADMINISTRATIVE COSTS.]

The annual cost to the commissioner of labor and industry of administering the workers' compensation system under this chapter must be charged to the state general fund. Administrative costs include the cost of administering the workers' compensation division of the department of labor and industry and the workers' compensation division of the office of administrative hearings.

Sec. 46. [ADMINISTRATIVE COSTS CHANGE-OVER]

For the biennium beginning July 1, 1989, 50 percent of the costs of

administering the workers' compensation system must be charged to the state general fund and 50 percent to the special compensation fund.

Sec. 47. [APPLICATION.]

Sections 38, 39, and 40 apply to any employee who was injured on or after four years preceding October 1, 1984.

Sec. 48. [REPEALER.]

Minnesota Statutes 1986, sections 176.011, subdivision 26; and 176.101, subdivisions 3a, 3b, 3c, 3d, 3e, 3f, 3g, 3h, 3i, 3j, 3k, 3l, 3m, 3n, 3o, 3p, 3q, 3r, 3s, 3t, 3u, and 6 are repealed.

Sec. 49. [EFFECTIVE DATE.]

Sections 1, 7, 8, 9, 16, 20, 23, and 41 are effective the day following final enactment. Section 45 is effective July 1, 1991.

ARTICLE 2

COMPENSATION INSURANCE

Section 1. Minnesota Statutes 1986, section 79.251, subdivision 2, is amended to read:

Subd. 2. [APPROPRIATE MERIT RATING PLAN.] The commissioner shall develop an appropriate merit rating plan which shall be applicable to all insureds holding policies or contracts of coverage issued pursuant to subdivision 4 and to the insurers or self-insurance administrators issuing those policies or contracts. The plan shall provide a ~~maximum~~ merit adjustment ~~equal to ten percent of earned premium. The actual adjustment that may vary with the insured's loss experience.~~

Sec. 2. Minnesota Statutes 1986, section 79.251, subdivision 3, is amended to read:

Subd. 3. [RATES.] Insureds served by the assigned risk plan shall be charged premiums based upon a rating plan, including a merit rating plan adopted by the commissioner by rule. The commissioner shall annually, not later than January 1 of each year, establish the schedule of rates applicable to assigned risk plan business. Assigned risk premiums ~~shall not be lower than rates generally charged by insurers for the business must be equal to or greater than 105 percent of the weighted average rate charged by the 20 largest workers' compensation insurers for the applicable occupational classifications.~~ The commissioner shall fix the compensation received by the agent of record. The establishment of the assigned risk plan rates and agent fees are not subject to chapter 14.

Sec. 3. Minnesota Statutes 1986, section 79.252, subdivision 1, is amended to read:

Subdivision 1. [PURPOSE.] The purpose of the assigned risk plan is to provide workers' compensation coverage to employers *who are unable, after expending reasonable efforts, to obtain workers' compensation insurance. Reasonable efforts may be demonstrated by the employer showing it was rejected in writing by a two or more licensed insurance ~~company~~ companies, pursuant to subdivision 2. One of the two rejections must be by the insurance company that most recently provided workers' compensation insurance coverage to the employer, unless the employer had no such previous coverage.*

Sec. 4. Minnesota Statutes 1986, section 79.56, is amended by adding a subdivision to read:

Subd. 5. [RATE REGULATION.] (a) Whenever an insurer files a change in its existing rate level, the commissioner may hold a hearing to determine if the rate is excessive. The hearing must be conducted under chapter 14. The commissioner shall give notice of intent to hold a hearing within 60 days of the filing of the change. It is the responsibility of the insurer to show the rate is not excessive. The rate is effective unless it is determined as a result of the hearing that the rate is excessive. This subdivision applies only to changes resulting from an insurer's utilization of either: (1) the pure premium base rate level filed by any data service organization, plus the insurer's loading for expenses and profit; or (2) the insurer's own filed rate levels. This subdivision does not apply to any changes resulting from assessments for the assigned risk plan, reinsurance association, guarantee fund, special compensation fund, benefit level changes, or other rates or rating plans utilized by an insurer. The disapproval of a rate under this subdivision must be done in the same manner as under section 70A.11.

(b) For purposes of paragraph (a), a rate is excessive if, in the absence of a competitive market, the expected underwriting profit, together with expected income from invested reserves for the market in question, that would accrue to an insurer would be unreasonably high in relation to the risk undertaken by the insurer in transacting the business. No rate is excessive in a competitive market.

Sec. 5. Minnesota Statutes 1986, section 176A.03, is amended by adding a subdivision to read:

Subd. 3. [COVERAGE OUTSIDE STATE.] Policies issued by the fund pursuant to this chapter may also provide workers' compensation coverage required under the laws of states other than Minnesota, including coverages commonly known as "all states coverage." The fund may apply for and obtain any licensure required in any other state in order to issue such coverage.

Sec. 6. [MANDATED RATE REDUCTIONS.]

As a result of the workers' compensation law changes in article 1 and the resulting savings to the costs of Minnesota's workers' compensation system, an insurer's approved schedule of rates in effect on August 1, 1988, must be reduced by 15 percent and applied by the insurer to all policies issued or renewed on or after that date. An insurer may not file a new schedule of rates between the day following final enactment of this act and August 1, 1988.

ARTICLE 3

WORKERS' COMPENSATION COURT OF APPEALS ABOLISHED

Section 1. Minnesota Statutes 1986, section 480A.06, subdivision 4, is amended to read:

Subd. 4. [ADMINISTRATIVE REVIEW.] The court of appeals shall have jurisdiction to review on the record: the validity of administrative rules, as provided in sections 14.44 and 14.45; and; the decisions of administrative agencies in contested cases, as provided in sections 14.63 to 14.69; and workers' compensation cases and peace officer death benefits cases, as provided under chapters 176 and 176A.

Sec. 2. [TRANSFER OF JURISDICTION AND PERSONNEL.]

The jurisdiction of the workers' compensation court of appeals, as provided under Minnesota Statutes, section 175A.01, subdivision 2, is transferred to the court of appeals. All contracts, books, plans, papers, records, and property of every description of the workers' compensation court of appeals relating to its transferred responsibilities and within its jurisdiction or control are transferred to the court of appeals; except that, all case files are transferred to the clerk of the appellate courts. All full-time classified employees and staff attorneys of the workers' compensation court of appeals must be given preference in the employment of personnel required to staff the increased caseload of the court of appeals as a result of transfer of jurisdiction under this section.

Sec. 3. [INCREASED JUDGES.]

(a) The number of judges on the court of appeals as of January 1, 1989, shall be increased by three. The additional judges are subject to senate confirmation.

(b) For purposes of establishing the number of judges on the court of appeals pursuant to Minnesota Statutes, section 480A.01, subdivision 3, the number of appeals filed in the court of appeals for the calendar years 1987 and 1988 shall be considered to include three-fourths of the number of appeals filed in the worker's compensation court of appeals for those two years.

Sec. 4. [INSTRUCTION TO REVISOR.]

In every instance in Minnesota Statutes in which the term "workers' compensation court of appeals" appears, the revisor of statutes shall change that reference to the "court of appeals."

Sec. 5. [REAPPROPRIATION.]

\$185,000 is reappropriated from the special compensation fund, as a result of the savings to that fund in fiscal year 1989 due to the transfer of the workers' compensation court of appeals, to the court of appeals for the purposes of this article.

Sec. 6. [REPEALER.]

Minnesota Statutes 1986, sections 175A.01; 175A.02; 175A.03; 175A.04; 175A.05; 175A.06; 175A.07, subdivisions 1, 3, and 4; 175A.08; 175A.09; and 175A.10 are repealed. Minnesota Statutes 1987 Supplement, section 175A.07, subdivision 2, is repealed.

Sec. 7. [EFFECTIVE DATE.]

This article is effective January 1, 1989.

ARTICLE 4

REPORTS TO THE LEGISLATURE

Section 1. [REPORT TO THE LEGISLATURE ON MEDICAL ISSUES.]

The commissioner of labor and industry shall present a report to the legislature concerning medical issues in the workers' compensation system. Specifically, the report must include findings and recommendations designed to contain or reduce the cost of workers' compensation related medical services, including methods of controlling the cost of ongoing therapy treatments. The report must be presented by January 1, 1990.

Sec. 2. [REPORT TO THE LEGISLATURE ON CLINICAL RESULTS

AND COSTS.]

(a) *The commissioner of labor and industry shall undertake a study and present a report to the legislature concerning clinical results and costs related to workers' compensation injuries. Preliminary results of the study must be submitted as provided under paragraph (d), and a final, comprehensive report must be presented by January 1, 1990.*

(b) *The commissioner shall collect the following data from the physicians who are in clinical charge of the care of injured workers covered by the workers' compensation law who are off work 30 days or longer due to a work-related personal injury.*

(1) *Within seven working days of when a physician decides maximum medical improvement has been achieved, the doctor shall submit to the department of labor and industry:*

(i) *the final diagnosis with the applicable code numbers, including the personality classification, utilizing ICD-9 diagnostic code numbers as the principle basis for reporting this data;*

(ii) *the name of the injured part of the body, an estimation of the percent of function prior to the injury, the percent of function at the time of maximum medical improvement, the estimated reasonable usual percent of function as a consequence of the injury, and the percent deviation between these two, if any, with a statement of why there is the percent deviation;*

(iii) *a comparison regarding the injured part of the amount of "pain and suffering" disability that the injured worker experienced prior to the injury, the amount being experienced at maximum medical improvement that relates to the injury, the estimated amount of reasonable usual disability anticipated with the injury, and a statement, which can include a reference to the personality structure of the injured worker, of why any deviation between the amount experienced and the usual expected deviation; and*

(iv) *the date when the injury occurred and the date when maximum medical improvement was reached.*

(2) *Within 30 days of when the physician reported that maximum medical improvement has been reached, the physician must submit to the department the total cost of the health care given the injured worker from the time of injury to the time of maximum medical improvement. The report must be submitted by the physician in charge of the clinical care at the time of maximum medical improvement. If a change in physician has occurred, the physician who had clinical charge prior to the change must submit a report within 30 days of the change and the subsequent physician must submit a report covering the subsequent period of time within 30 days of each individual time period's end or of the reporting that maximum medical improvement has been reached. The report must be itemized, including but not limited to the following items:*

(i) *for each diagnostic code, the names of the clinical procedures used, with their current procedural code number, with the individual fees charged for each;*

(ii) *x-rays, names with code numbers, with individual costs for each code number, and the total cost of all x-rays;*

(iii) *laboratory exams with code numbers, with individual costs for each*

code number, and the total cost of all laboratory exams;

(iv) medications, both prescription and nonprescription, with names plus unit and total costs;

(v) prosthesis, with individual costs; and

(vi) an itemized list of all other additional health care costs, including home nursing, consultations required by attorneys or insurance companies, department or legal conferences, etc.

(c) The commissioner, together with the medical director of the department and whomever else in the department the commissioner desires, shall computerize the collected data under paragraph (b). For 18 months they shall review the data on a monthly basis and correlate it in the following sequence:

(1) the level of clinical results obtained with the costs at maximum medical improvement;

(2) the level of the clinical results obtained with length of time required to achieve maximum medical improvement; and

(3) the length of time to achieve maximum medical improvement related to the cost of achieving maximum medical improvement.

(d) For the 18-month period indicated under paragraph (c), the commissioner and medical director shall every three months submit a report to the legislature, specifically providing copies to all members of the senate employment committee and the house of representatives labor relations-management committee, of their findings regarding paragraph (c), clauses (1) to (3), and including progress on the development of the data collection system, both preliminary and final results.

(e) Also during the 18-month period, the commissioner and department medical director shall develop a flagging system, so that the cases with significant deviation by lesser clinical results, higher costs, and longer treatment times are identified so that they can be scrutinized. A schedule of individual fees charged for specific procedures utilized and a schedule of specific diagnoses with their total clinical costs must both be developed from the collected data.

(f) The legislative auditor shall have free access to the data collected under this section and may request any additional information the legislative auditor considers necessary. The legislative auditor shall at six-month periods for 18 months report to the legislature its findings regarding the status of the Minnesota workers' compensation system relating to clinical reports and cost issues.

Sec. 3. [REPORT TO THE LEGISLATURE ON USE OF NEUTRAL PHYSICIANS.]

The commissioner of labor and industry shall present a report concerning workers' compensation to the legislature before January 1, 1989, which develops and evaluates a detailed proposal for establishing a system of neutral doctors for use in such areas as determining maximum medical improvement and rating permanent partial disabilities. The report must contain a bill proposal to implement the commissioner's recommendations.

Sec. 4. [REPORT TO THE LEGISLATURE ON USE OF NEUTRAL QUALIFIED REHABILITATION CONSULTANTS.]

To reduce cost and contention in the rehabilitation system, the commissioner of labor and industry shall develop and evaluate a detailed proposal to establish a system to ensure that qualified rehabilitation consultants will not be aligned with either insurers or claimants. The commissioner shall consider alternative methods of selection and payment to ensure neutrality. The commissioner shall present a report and proposal to the legislature by January 1, 1989.

Sec. 5. [REPORT TO THE LEGISLATURE ON LEGAL COSTS.]

The commissioner of labor and industry shall present a report to the legislature concerning legal cost issues in the workers' compensation system. Specifically, the report must include findings and recommendations designed to contain or reduce legal costs related to workers' compensation dispute resolution.

Sec. 6. [REPORT TO THE LEGISLATURE ON RECODIFICATION OF WORKERS' COMPENSATION LAW.]

The revisor of statutes shall recodify the workers' compensation law, including Minnesota Statutes, chapter 176, and its judicial and administrative interpretation.

The recodification must not make any substantive changes but shall provide a comprehensive, accurate, and complete restatement.

Each state department agency and legislative staff, including senate counsel and house of representatives research, shall provide assistance in the recodification as requested by the revisor of statutes.

The revisor shall report to the legislature by January 1, 1989, on the progress of the recodification. The revisor shall prepare a bill to implement its recommendations for recodification by January 1, 1990.

Sec. 7. [REAPPROPRIATION.]

\$185,000 is reappropriated from the special compensation fund, as a result of the savings to that fund in fiscal year 1989 due to the transfer of the workers' compensation court of appeals, to the commissioner of labor and industry for the purposes of this article.

Sec. 8. [EFFECTIVE DATE.]

Article 4 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to workers' compensation; regulating workers' compensation benefits and administration; regulating workers' compensation insurance; abolishing the workers' compensation court of appeals and transferring its jurisdiction to the court of appeals; requiring certain reports relating to workers' compensation; amending Minnesota Statutes 1986, sections 79.251, subdivisions 2 and 3; 79.252, subdivision 1; 79.56, by adding a subdivision; 176.011, subdivisions 11a, 18, and by adding a subdivision; 176.021, subdivision 3; 176.061, subdivision 10; 176.081, subdivisions 1 and 3; 176.101, subdivisions 1, 2, 4, 5, and by adding a subdivision; 176.102, subdivisions 1, 7, and 11; 176.105, subdivision 1; 176.111, subdivisions 6, 7, 8, 12, 14, and 20; 176.131, subdivisions 1a, 2, 4, and by adding a subdivision; 176.132, subdivisions 1, 2, and 3; 176.136, subdivision 1; 176.645, subdivision 2; 176.66, subdivision 11; 176A.03, by adding a subdivision; 480A.06, subdivision 4; Minnesota

Statutes 1987 Supplement, sections 176.041, subdivision 4; 176.081, subdivision 2; 176.102, subdivisions 2, 3, 3a, 4, and 6; 176.111, subdivisions 15 and 21; 176.131, subdivisions 1 and 8; proposing coding for new law in Minnesota Statutes, chapter 176; repealing Minnesota Statutes 1986, sections 175A.01 to 175A.06; 175A.07, subdivisions 1, 3, and 4; 175A.08 to 175A.10; 176.011, subdivision 26; 176.101, subdivisions 3a, 3b, 3c, 3d, 3e, 3f, 3g, 3h, 3i, 3j, 3k, 3l, 3m, 3n, 3o, 3p, 3q, 3r, 3s, 3t, 3u, and 6; and Minnesota Statutes 1987 Supplement, section 175A.07, subdivision 2."

And when so amended the bill do pass and be re-referred to the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was referred

S.F. No. 2260: A bill for an act relating to property tax reform; changing property tax classifications, aids, and credits; abolishing certain levy limits; increasing the state share of financial participation in aid to families with dependent children, emergency assistance, general assistance, emergency general assistance, work readiness, Minnesota supplemental assistance, medical assistance, preadmission screening, alternative care grants, and general assistance medical care to 100 percent; clarifying the administration of human services programs; establishing a compliance system for certain public assistance programs and public assistance incentive fund; appropriating money; amending Minnesota Statutes 1986, sections 6.62, subdivision 1; 18.023, subdivision 8; 110B.15, subdivision 4; 115.34, subdivision 1; 124.2137, subdivision 1; 134.34, subdivision 5; 164.041; 256.72; 256.81; 256.82, subdivision 1; 256.863; 256.871, subdivision 6; 256.935, subdivision 1; 256.991; 256B.041, subdivisions 5 and 7; 256B.05, subdivision 1; 256B.19, subdivision 2; 256D.03, subdivision 6; 256D.04; 256D.36, subdivision 1; 273.135, subdivision 5; 273.1391, subdivision 4; 275.14; 275.15; 275.16; 279.01, as amended; 298.28, subdivision 12; 298.282, subdivisions 2 and 3; 298.39; 298.396; 360.037, subdivision 2; 375.167, subdivision 1; 383C.55; 393.07, subdivision 2; 414.01, subdivision 15; 423.376, subdivision 3; 426.04; 444.075, subdivision 4; 465.73; 471.1921; 471.572, subdivision 2; 471A.03, subdivision 4; 473.87; 473.882, subdivision 3; 473F08, subdivision 3a; 475.74; 475.754; 477A.011, subdivisions 6, 10, 11, and by adding subdivisions; and 477A.012, subdivision 2; Minnesota Statutes 1987 Supplement, sections 38.27, subdivision 3; 124.155, subdivision 2; 124.2139; 124A.02, subdivision 11; 129A.06, subdivision 2; 256.01, subdivision 2; 256B.091, subdivision 8; 256B.15; 256B.19, subdivision 1; 256D.03, subdivision 2; 256G.01, subdivision 3; 256G.02, subdivision 4; 256G.04, subdivision 1; 256G.05; 256G.07; 256G.10; 256G.11; 272.02, subdivisions 1 and 1a; 272.115, subdivision 4; 273.123, subdivisions 1, 4, 5, and 7; 273.124, subdivisions 11 and 13; 273.13, subdivisions 23, 24, 25, and 31; 273.1392; 273.1393; 273.42, subdivision 2; 275.50, subdivision 2; 276.04; 279.06; 281.17; 290A.03, subdivisions 13 and 14; 290A.04, subdivisions 2 and 2a; 393.07, subdivision 10; 412.251; 447.34, subdivision 1; 447.35; 469.107; 471.74, subdivision 2; 473.446, subdivision 1; 473.8441, subdivision 1; 473F02, subdivision 4; 475.61, subdivision 3; and 477A.013, subdivisions 1, 2, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapters 256 and 273; amending Laws 1987, chapter 268, article 6, sections 19 and 53; repealing Minnesota Statutes 1986, sections 256.965; 273.13, subdivision

30; 275.11; 275.50, as amended; 275.51, as amended; 275.54; 275.55; 275.56; 275.561; 275.58; 383C.552; 471A.04; and 477A.011, subdivisions 3a, 4, 5, 7a, 13, and 14; Minnesota Statutes 1987 Supplement, sections 245.775; 256D.22; 273.13, subdivision 15a; 273.1394; 273.1395; 273.1396; 273.1397; 275.081; 275.082; 275.125, subdivision 22; 290A.04, subdivision 2b; 477A.011, subdivision 7; and 477A.012, subdivision 1; Laws 1987, chapter 268, article 5, section 4.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

INDIVIDUAL INCOME TAX

Section 1. Minnesota Statutes 1987 Supplement, section 290.01, subdivision 3a, is amended to read:

Subd. 3a. [TRUST.] The term "trust" has the meaning ~~given in~~ *provided under the Internal Revenue Code of 1986, as amended through December 31, 1986* 1987.

Sec. 2. Minnesota Statutes 1987 Supplement, section 290.01, subdivision 7, is amended to read:

Subd. 7. [RESIDENT.] The term "resident" means (1) any individual domiciled in Minnesota, except that an individual is not a "resident" for the period of time that the individual is a "qualified individual" as defined in section 911(d)(1) of the Internal Revenue Code of 1986, as amended through December 31, 1986, unless, during that period, a Minnesota homestead application is filed for property in which the individual has an interest; and (2) any individual domiciled outside the state who maintains a place of abode in the state and spends in the aggregate more than one-half of the tax year in Minnesota, unless the individual *or the spouse of the individual* is in the armed forces of the United States, *or the individual is covered under the reciprocity provisions in section 290.081.*

For purposes of this subdivision, presence within the state for any part of a calendar day constitutes a day spent in the state. Individuals shall keep adequate records to substantiate the days spent outside the state.

Sec. 3. Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19a, is amended to read:

Subd. 19a. [ADDITIONS TO FEDERAL TAXABLE INCOME.] For individuals, estates, and trusts, there shall be added to federal taxable income:

(1)(i) interest income on obligations of any state other than Minnesota or a political or governmental subdivision, municipality, or governmental agency or instrumentality of any state other than Minnesota exempt from federal income taxes under the Internal Revenue Code or any other federal statute, and

(ii) exempt-interest dividends as defined in section 852(b)(5)(A) of the Internal Revenue Code of 1986, except the portion of the exempt-interest dividends derived from interest income on obligations of the state of Minnesota or its political or governmental subdivisions, municipalities, governmental agencies or instrumentalities, but only if the portion of the

exempt-interest dividends from such Minnesota sources paid to all shareholders represents 95 percent or more of the exempt-interest dividends that are paid by the ~~fund or series of funds~~ regulated investment company as defined in section 851(a) of the Internal Revenue Code of 1986, or the fund of the regulated investment company as defined in section 851(q) of the Internal Revenue Code of 1986, making the payment; and

(2) the amount of income taxes paid or accrued within the taxable year under this chapter and income taxes paid to any other state or to any province or territory of Canada, to the extent allowed as a deduction under section 63(d) of the Internal Revenue Code, but the addition may not be more than the amount by which the itemized deductions as allowed under section 63(d) of the Internal Revenue Code exceeds the amount of the standard deduction as defined in section 63(c) of the Internal Revenue Code; and

(3) the capital gain amount of a lump sum distribution to which the special tax under section 1122(h)(3)(B)(ii) of the Tax Reform Act of 1986, Public Law Number 99-514, applies.

Sec. 4. Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19b, is amended to read:

Subd. 19b. [SUBTRACTIONS FROM FEDERAL TAXABLE INCOME.] For individuals, estates, and trusts, there shall be subtracted from federal taxable income:

(1) interest income on obligations of any authority, commission, or instrumentality of the United States to the extent includable in taxable income for federal income tax purposes but exempt from state income tax under the laws of the United States;

(2) if included in federal taxable income, the amount of any overpayment of income tax to Minnesota or to any other state, for any previous taxable year, whether the amount is received as a refund or as a credit to another taxable year's income tax liability; and

(3) the amount paid to others not to exceed \$650 for each dependent in grades kindergarten to six and \$1,000 for each dependent in grades seven to 12, for tuition, textbooks, and transportation of each dependent in attending an elementary or secondary school situated in Minnesota, North Dakota, South Dakota, Iowa, or Wisconsin, wherein a resident of this state may legally fulfill the state's compulsory attendance laws, which is not operated for profit, and which adheres to the provisions of the Civil Rights Act of 1964 and chapter 363. As used in this clause, "textbooks" includes books and other instructional materials and equipment used in elementary and secondary schools in teaching only those subjects legally and commonly taught in public elementary and secondary schools in this state. "Textbooks" does not include instructional books and materials used in the teaching of religious tenets, doctrines, or worship, the purpose of which is to instill such tenets, doctrines, or worship, nor does it include books or materials for, or transportation to, extracurricular activities including sporting events, musical or dramatic events, speech activities, driver's education, or similar programs. In order to qualify for the subtraction under this clause the taxpayer must elect to itemize deductions under section 63(e) of the Internal Revenue Code of 1986, as amended through December 31, 1986; and

(4) to the extent included in federal taxable income, distributions from a qualified governmental pension plan, an individual retirement account, simplified employee pension, or qualified plan covering a self-employed

person that represent a return of contributions that were included in Minnesota gross income in the taxable year for which the contributions were made but were deducted or were not included in the computation of federal adjusted gross income. The distribution shall be allocated first to return of contributions until the contributions included in Minnesota gross income have been exhausted. This subtraction applies only to contributions made in a taxable year prior to 1985.

Sec. 5. Minnesota Statutes 1987 Supplement, section 290.06, subdivision 2c, is amended to read:

Subd. 2c. [SCHEDULES OF RATES FOR INDIVIDUALS, ESTATES, AND TRUSTS.] (a) The income taxes imposed by this chapter upon married individuals filing joint returns and surviving spouses as defined in section 2(a) of the Internal Revenue Code of 1986 as amended through December 31, 1987, must be computed by applying to their taxable net income the following schedule of rates:

(1) For taxable years beginning after December 31, 1986, and before January 1, 1988

if taxable income is:	the tax is:
not over \$4,000	4 percent
over \$4,000, but not over \$11,000	\$160 plus 6 percent of the excess over \$4,000
over \$11,000, but not over \$21,000	\$580 plus 8 percent of the excess over \$11,000
over \$21,000	\$1,380 plus 9 percent of the excess over \$21,000

(2) For taxable years beginning after December 31, 1987

if taxable income is:	the tax is:
not over \$19,000	6 percent
over \$19,000	\$1,140 plus 8 percent of the excess over \$19,000;

plus an amount equal to ten percent of the tax paid by the taxpayer under section 1(g) of the Internal Revenue Code of 1986, as amended through December 31, 1986 computed using the following schedule of rates:

if taxable income is:	the tax is:
over \$75,500, but not over \$165,000	0.5 percent of the excess over \$75,500
over \$165,000	\$447.50.

Married individuals filing separate returns, estates, and trusts must compute their income tax by applying the above rates to their taxable income, except that the income brackets will be one-half of the above amounts.

(b) The income taxes imposed by this chapter upon unmarried individuals, married individuals filing separate returns, estates, and trusts must be computed by applying to taxable net income the following schedule of rates:

(1) For taxable years beginning after December 31, 1986, and before January 1, 1988

if taxable income is:	the tax is:
not over \$3,000	4 percent
over \$3,000, but not	\$120 plus 6 percent

over \$9,000	of the excess over \$3,000
over \$9,000, but not	\$480 plus 8 percent
over \$16,000	of the excess over \$9,000
over \$16,000	\$1,040 plus 9 percent
	of the excess over \$16,000

(2) For taxable years beginning after December 31, 1987

if taxable income is:	the tax is:
not over \$13,000	6 percent
over \$13,000	\$780 plus 8 percent
	of the excess over \$13,000;

plus an amount equal to ten percent of the tax paid by the taxpayer under section 1(g) of the Internal Revenue Code of 1986, as amended through December 31, 1986 computed using the following schedule of rates:

if taxable income is:	the tax is:
over \$42,700, but not	0.5 percent of the
over \$93,000	excess over \$42,700
over \$93,000	\$251.50.

(c) The income taxes imposed by this chapter upon unmarried individuals qualifying as a head of household as defined in section 2(b) of the Internal Revenue Code of 1986, as amended through December 31, 1986 1987, must be computed by applying to taxable net income the following schedule of rates:

(1) For taxable years beginning after December 31, 1986, and before January 1, 1988

if taxable income is:	the tax is:
not over \$3,500	4 percent
over \$3,500, but not	\$140 plus 6 percent
over \$10,000	of the excess over \$3,500
over \$10,000, but not	\$530 plus 8 percent
over \$18,500	of the excess over \$10,000
over \$18,500	\$1,210 plus 9 percent
	of the excess over \$18,500

(2) For taxable years beginning after December 31, 1987

if taxable income is:	the tax is:
not over \$16,000	6 percent
over \$16,000	\$960 plus 8 percent
	of the excess over \$16,000;

plus an amount equal to ten percent of the tax paid by the taxpayer under section 1(g) of the Internal Revenue Code of 1986, as amended through December 31, 1986 computed using the following schedule of rates:

if taxable income is:	the tax is:
over \$64,300, but not	0.5 percent of the
over \$135,000	excess over \$64,300
over \$135,000	\$353.50.

(d) In lieu of a tax computed according to the rates set forth in this subdivision, the tax of any individual taxpayer whose taxable net income for the taxable year is less than an amount determined by the commissioner must be computed in accordance with tables prepared and issued by the commissioner of revenue based on income brackets of not more than \$100. The amount of tax for each bracket shall be computed at the rates set forth

in this subdivision, provided that the commissioner may disregard a fractional part of a dollar unless it amounts to 50 cents or more, in which case it may be increased to \$1.

(e) An individual who is not a Minnesota resident for the entire year must compute the individual's Minnesota income tax as provided in this subdivision. After the application of the nonrefundable credits provided in this chapter, the tax liability must then be multiplied by a fraction in which:

(1) The numerator is the individual's Minnesota ~~source~~ *source* federal adjusted gross income as defined in section 62 of the Internal Revenue Code of 1986, as amended through December 31, 1986, after applying the allocation and assignability provisions of section 290.081, clause (a), or 290.17; and

(2) the denominator is the individual's federal adjusted gross income as defined in section 62 of the Internal Revenue Code of 1986, as amended through December 31, ~~1986~~ 1987, *increased by the addition required for interest income from non-Minnesota state and municipal bonds under section 290.01, subdivision 19a, clause (1).*

(f) *Any individual who has income which is included in the computation of federal adjusted gross income but is not subject to tax by Minnesota other than income specifically allowed as a subtraction under section 290.01, subdivision 19b, shall compute the tax in the same manner described in paragraph (e). The numerator of the fraction under paragraph (e) is the individual's Minnesota source federal adjusted gross income reduced by the income not subject to Minnesota tax and the denominator is the federal adjusted gross income.*

Sec. 6. Minnesota Statutes 1987 Supplement, section 290.06, subdivision 20, is amended to read:

Subd. 20. [ELDERLY AND DISABLED PERSONS.] An individual may take a credit against the tax due under this chapter equal to ~~40 percent of~~ the credit for which the individual qualifies under section 22 of the Internal Revenue Code of 1986, as amended through December 31, ~~1986~~ 1987.

If the individual is not a full-year resident, the credit must be allocated by applying the ratio determined in section 290.06, subdivision 2c, paragraph (f).

Sec. 7. Minnesota Statutes 1986, section 290.06, is amended by adding a subdivision to read:

Subd. 22. [CREDIT FOR TAXES PAID TO ANOTHER STATE.] (a) *If a taxpayer who is a resident of this state or is a domestic corporation or corporation commercially domiciled in Minnesota has become liable for taxes on or measured by net income to another state or province or territory of Canada upon income allocated or apportioned to Minnesota, the taxpayer is entitled to a credit for the tax paid to another state or province or territory of Canada if the tax is actually paid in the taxable year or a subsequent taxable year. A taxpayer who is a resident of this state pursuant to section 290.01, subdivision 7, clause (2), and is subject to income tax as a resident in the state of the individual's domicile is not allowed this credit unless the state of domicile does not allow a similar credit.*

(b) *For an individual, estate, or trust, the credit is determined by multiplying the tax payable under this chapter by the ratio derived by dividing the income subject to tax in the other state or province or territory of*

Canada that is also subject to tax in Minnesota while a resident of Minnesota by the taxpayer's federal adjusted gross income, as defined in section 62 of the Internal Revenue Code of 1986, as amended through December 31, 1987, to the extent the income is allocated or assigned to Minnesota under sections 290.081 and 290.17.

(c) For a corporation, the ratio is determined by dividing the net income from personal or professional services within such other state, or, if the taxpayer is an athletic team where all of the team's income is apportioned to Minnesota, it is the total net income subject to tax in such other state or province or territory of Canada, divided by the Minnesota taxable net income. This percentage shall be applied only against the tax assessed by this section.

(d) The credit determined under paragraph (b) or (c) shall not exceed the amount of tax so paid to the other state or province or territory of Canada on the gross income earned within the other state or province or territory of Canada subject to tax under this chapter, nor shall the allowance of the credit reduce the taxes paid under this chapter to an amount less than what would be assessed if such income amount was excluded from taxable net income.

(e) In the case of the tax assessed on a lump sum distribution under section 290.032, the credit allowed under paragraph (a) is the tax assessed by the other state or province or territory of Canada on the lump sum distribution that is also subject to tax under section 290.032, and shall not exceed the tax assessed under section 290.032.

(f) If a Minnesota resident reported an item of income to Minnesota and is assessed tax in such other state or province or territory of Canada on that same income after the Minnesota statute of limitations has expired, the taxpayer shall receive a credit for that year under paragraph (a), notwithstanding any statute of limitations to the contrary. The claim for the credit must be submitted within one year from the date the taxes were paid to the other state or province or territory of Canada. The taxpayer must submit sufficient proof to show entitlement to a credit.

Sec. 8. Minnesota Statutes 1987 Supplement, section 290.067, subdivision 1, is amended to read:

Subdivision 1. [AMOUNT OF CREDIT.] A taxpayer may take as a credit against the tax due from the taxpayer and a spouse, if any, under this chapter an amount equal to the dependent care credit for which the taxpayer is eligible pursuant to the provisions of section 21 of the Internal Revenue Code subject to the limitations provided in subdivision 2.

In the case of nonresident, part-year resident, or a person to which section 290.06, subdivision 2c, paragraph (g) applies, the credit determined under section 21 of the Internal Revenue Code must be allocated based on the ratio by which the earned income of the claimant and the claimant's spouse from Minnesota sources bears to the total earned income of the claimant and the claimant's spouse.

Sec. 9. Minnesota Statutes 1987 Supplement, section 290.081, is amended to read:

290.081 [INCOME OF NONRESIDENTS, RECIPROCITY; CREDIT FOR TAXES PAID TO ANOTHER STATE.]

(a) The compensation received for the performance of personal or professional services within this state by an individual whose residence, place of abode, and place customarily returned to at least once a month is in another state, shall be excluded from gross income to the extent such compensation is subject to an income tax imposed by the state of residence; provided that such state allows a similar exclusion of compensation received by residents of Minnesota for services performed therein, or.

(b) If any taxpayer who is a resident of this state, or a domestic corporation or corporation commercially domiciled therein, has become liable for taxes on or measured by net income to another state or a province or territory of Canada upon, if the taxpayer is an individual, or if the taxpayer is an athletic team and all of the team's income is apportioned to Minnesota, any income, or if it is a corporation, estate, or trust, upon income derived from the performance of personal or professional services within such other state or province or territory of Canada and subject to taxation under this chapter the taxpayer shall be entitled to a credit against the amount of taxes payable under this chapter, of such proportion thereof, as such gross income subject to taxation in such state or province or territory of Canada bears to the taxpayer's entire gross income subject to taxation under this chapter; provided (1) that such credit shall in no event exceed the amount of tax so paid to such other state or province or territory of Canada on the gross income earned within such other state or province or territory of Canada and subject to taxation under this chapter, and (2) the allowance of such credit shall not operate to reduce the taxes payable under this chapter to an amount less than would have been payable if the gross income earned in such other state or province or territory of Canada had been excluded in computing net income under this chapter. A taxpayer who is a resident of this state pursuant to section 290.01, subdivision 7a, clause (2), and is subject to income tax as a resident in the state of the individual's domicile is not allowed this credit unless the state of domicile does not allow a similar credit.

(c) The commissioner shall by rule determine with respect to gross income earned in any other state the applicable clause of this section. When it is deemed to be in the best interests of the people of this state, the commissioner may determine that the provisions of clause (a) shall not apply. As long as the provisions of clause (a) apply between Minnesota and Wisconsin, the provisions of clause (a) shall apply to any individual who is domiciled in Wisconsin.

(d) "Tax So Paid" as used in this section means taxes on or measured by net income payable to another state or province or territory of Canada on income earned within the taxable year for which the credit is claimed; provided that such tax is actually paid in that taxable year, or subsequent taxable years.

For purposes of clause (b), where a Minnesota resident reported an item of income to Minnesota and is assessed tax in another state or a province or territory of Canada on that same item of income after the Minnesota statute of limitations has expired, the taxpayer shall be allowed to receive a credit for that year based on clause (b), notwithstanding the provisions of sections 290.49, 290.50, and 290.56. For purposes of the preceding sentence, the burden of proof shall be on the taxpayer to show entitlement to a credit.

(e) (c) For the purposes of clause (a), whenever the Wisconsin tax on

Minnesota residents which would have been paid Wisconsin without clause (a) exceeds the Minnesota tax on Wisconsin residents which would have been paid Minnesota without clause (a), or vice versa, then the state with the net revenue loss resulting from clause (a) shall receive from the other state the amount of such loss. This provision shall be effective for all years beginning after December 31, 1972. The data used for computing the loss to either state shall be determined on or before September 30 of the year following the close of the previous calendar year.

Interest shall be payable on all delinquent balances relating to taxable years beginning after December 31, 1977. The commissioner of revenue is authorized to enter into agreements with the state of Wisconsin specifying the reciprocity payment due date, conditions constituting delinquency, interest rates, and a method for computing interest due on any delinquent amounts.

If an agreement cannot be reached as to the amount of the loss, the commissioner of revenue and the taxing official of the state of Wisconsin shall each appoint a member of a board of arbitration and these members shall appoint the third member of the board. The board shall select one of its members as chair. Such board may administer oaths, take testimony, subpoena witnesses, and require their attendance, require the production of books, papers and documents, and hold hearings at such places as are deemed necessary. The board shall then make a determination as to the amount to be paid the other state which determination shall be final and conclusive.

Notwithstanding the provisions of section 290.61, the commissioner may furnish copies of returns, reports, or other information to the taxing official of the state of Wisconsin, a member of the board of arbitration, or a consultant under joint contract with the states of Minnesota and Wisconsin for the purpose of making a determination as to the amount to be paid the other state under the provisions of this section. Prior to the release of any information under the provisions of this section, the person to whom the information is to be released shall sign an agreement which provides that the person will protect the confidentiality of the returns and information revealed thereby to the extent that it is protected under the laws of the state of Minnesota.

Sec. 10. Minnesota Statutes 1987 Supplement, section 290.17, subdivision 2, is amended to read:

Subd. 2. [INCOME NOT DERIVED FROM CONDUCT OF A TRADE OR BUSINESS.] The income of a taxpayer subject to the allocation rules that is not derived from the conduct of a trade or business must be assigned in accordance with paragraphs (a) to (f):

(a)(1) Subject to paragraphs (a)(2) and (a)(3), income from labor or personal or professional services is assigned to this state if, and to the extent that, the labor or services are performed within it; all other income from such sources is treated as income from sources without this state.

(2) In the case of an individual who is a nonresident of Minnesota and who is an athlete or entertainer, income from compensation for labor or personal services performed within this state shall be determined in the following manner:

(i) The amount of income to be assigned to Minnesota for an individual who is a nonresident salaried athletic team employee shall be determined by using a fraction in which the denominator contains the total number of

days in which the individual is under a duty to perform for the employer, and the numerator is the total number of those days spent in Minnesota; and

(ii) The amount of income to be assigned to Minnesota for an individual who is a nonresident, and who is an athlete or entertainer not listed in clause (i), for that person's athletic or entertainment performance in Minnesota shall be determined by assigning to this state all income from performances or athletic contests in this state.

(3) For purposes of this section, amounts received by a nonresident from the United States, its agencies or instrumentalities, the Federal Reserve Bank, the state of Minnesota or any of its political or governmental subdivisions, or a Minnesota volunteer firefighters' relief association, by way of payment as a pension, public employee retirement benefit, or any combination of these, or as a retirement or survivor's benefit made from a plan qualifying under section 401, 403, 408, or 409, or as defined in section 403(b) or 457 of the Internal Revenue Code of 1986, as amended through December 31, 1986, are not considered income derived from carrying on a trade or business or from performing personal or professional services in Minnesota, and are not taxable under this chapter.

(b) Income or gains from tangible property located in this state that is not employed in the business of the recipient of the income or gains must be assigned to this state.

(c) Except upon the sale of a partnership interest *or the sale of stock of an "S" corporation*, income or gains from intangible personal property not employed in the business of the recipient of the income or gains must be assigned to this state if the recipient of the income or gains is a resident of this state or is a resident trust or estate.

Gain on the sale of a partnership interest is allocable to this state in the ratio of the original cost of partnership tangible property in this state to the original cost of partnership tangible property everywhere, determined at the time of the sale. If more than 50 percent of the value of the partnership's assets consists of intangibles, gain or loss from the sale of the partnership interest is allocated to this state in accordance with the sales factor of the partnership for its first full tax period immediately preceding the tax period of the partnership during which the partnership interest was sold.

Gain on the sale of stock held in an "S" corporation is allocable to this state in the ratio of the original cost of tangible property of the "S" corporation within this state to the original cost of tangible property of the "S" corporation everywhere.

(d) Income from the operation of a farm shall be assigned to this state if the farm is located within this state and to other states only if the farm is not located in this state.

(e) Income from winnings on Minnesota pari-mutuel betting tickets *and lawful gambling as defined in section 349.12, subdivision 2, conducted within the boundaries of the state of Minnesota* shall be assigned to this state.

(f) All items of gross income not covered in paragraphs (a) to (e) and not part of the taxpayer's income from a trade or business shall be assigned to the taxpayer's domicile.

Sec. 11. Minnesota Statutes 1987 Supplement, section 290.38, is amended to read:

290.38 [RETURNS OF MARRIED PERSONS.]

A husband and wife must file a joint Minnesota income tax return if they filed a joint federal income tax return. If a joint return is made the tax shall be computed on the aggregate income and the liability with respect to the tax shall be joint and several; *provided that a spouse who is relieved of a liability attributable to a substantial underpayment under section 6013(e) of the Internal Revenue Code of 1986, as amended through December 31, 1987, shall also be relieved of the state tax liability on the substantial underpayment.* If the husband and wife have elected to file separate federal income tax returns they must file separate Minnesota income tax returns. This election to file a joint or separate returns must be changed if they change their election for federal purposes. In the event taxpayers desire to change their election, such change shall be done in the manner and on such form as the commissioner shall prescribe by rule.

The determination of whether an individual is married shall be made under provisions of section 7703 of the Internal Revenue Code of 1986, as amended through December 31, 1986.

Sec. 12. Minnesota Statutes 1986, section 290.39, is amended by adding a subdivision to read:

Subd. 5. [PARTNERSHIPS; NONRESIDENT PARTNERS.] (a) The commissioner may allow a partnership with five or more nonresident partners to file a composite return on behalf of nonresident partners who have no other Minnesota source income. This composite return must include the names, addresses, social security numbers, income allocation, and tax liability for all nonresident partners electing to be covered by the composite return.

(b) The computation of each partner's liability will be determined by multiplying the income allocated to that partner by the highest rate used to determine the tax liability for individuals under section 290.06, subdivision 2c. Nonbusiness deductions, standard deductions, or personal exemptions are not allowed.

(c) The partnership must submit a request to use this composite return filing method for nonresident partners on or before the due date for filing the individual income tax return. The request may be made a part of the return filed.

(d) The electing partner must not have any Minnesota source income other than income from the partnership and other electing partnerships. If it is determined that the electing partner has other Minnesota source income, the inclusion of the income and tax liability for that partner under this provision will not constitute a return to satisfy the requirements of subdivision 1. The penalty for failure to file a return as provided in section 290.53, subdivision 2, is assessed from the due date for filing a return until a non-composite return is filed. The tax paid for such an individual as part of the composite return is allowed as a payment of the tax by the individual on the date upon which the composite payment was made. If the electing nonresident partner has no other Minnesota source income, filing of the composite return constitutes a return for purposes of subdivision 1 of this section.

(e) *This subdivision does not preclude the requirement that an individual pay estimated tax if the individual's liability would exceed the requirements set forth in section 290.93. However, a composite estimate may be filed in a manner similar to and containing the same information required under paragraph (a).*

(f) *If an electing partner's share of the partnership's gross income from Minnesota sources is less than the filing requirements for a nonresident under section 290.37, subdivision 1, the tax liability is zero. However, a statement showing the partner's share of gross income must be included as part of the composite return.*

(g) *The election provided in this subdivision is not available to any partner other than a full-year nonresident individual who has no other Minnesota source income.*

(h) *A corporation defined in section 290.9725 and its nonresident shareholders may make an election under this subdivision. The provisions covering the partnership apply to the corporation and the provisions applying to the partner apply to each shareholder.*

(i) *Estates and trusts distributing current income only and the nonresident individual beneficiaries of such estates or trusts may make an election under this subdivision. The provisions covering the partnership apply to the estate or trust. The provisions applying to the partner apply to each beneficiary.*

Sec. 13. Minnesota Statutes 1987 Supplement, section 290.41, subdivision 2, is amended to read:

Subd. 2. [BY PERSONS, CORPORATIONS, COOPERATIVES, GOVERNMENTAL ENTITIES OR SCHOOL DISTRICTS.] To the extent required by section 6041 of the Internal Revenue Code of 1986, as amended through December 31, ~~1986~~ 1987, every person, corporation, or cooperative, the state of Minnesota and its political subdivisions, and every city, county and school district in Minnesota, making payments in the regular course of a trade or business during the taxable year to any person or corporation of \$600 or more on account of rents or royalties, or of \$10 or more on account of interest, or \$10 or more on account of dividends or patronage dividends, or \$600 or more on account of either wages, salaries, commissions, fees, prizes, awards, pensions, annuities, or any other fixed or determinable gains, profits or income, not otherwise reportable under section 290.92, subdivision 7, or on account of earnings of \$10 or more distributed to its members by savings, building and loan associations or credit unions chartered under the laws of this state or the United States, (a) shall make a return (except in cases where a valid agreement to participate in the combined federal and state information reporting system has been entered into, and such return is therefore filed only with the commissioner of internal revenue pursuant to the applicable filing and informational reporting requirements of the Internal Revenue Code of 1986, as amended through December 31, ~~1986~~ 1987) in respect to such payments in excess of the amounts specified, giving the names and addresses of the persons to whom such payments were made, the amounts paid to each, and (b) shall make a return in respect to the total number of such payments and total amount of such payments, for each category of income specified, which were in excess of the amounts specified. This subdivision shall not apply to the payment of interest or dividends to a person who was a nonresident of Minnesota for the entire year.

A person, corporation, or cooperative required to file returns under this subdivision ~~on interest, dividends, or patronage dividend payments with respect to more than 50 payees for any calendar year~~ must file all of these returns on magnetic media if the media were used to satisfy the federal reporting requirement under section 6011(e) of the Internal Revenue Code of 1986, as amended through December 31, 1987, unless the person establishes to the satisfaction of the commissioner that compliance with this requirement would be an undue hardship.

Sec. 14. Minnesota Statutes 1987 Supplement, section 290.491, is amended to read:

290.491 [TAX ON GAIN; DISCHARGE IN BANKRUPTCY.]

(a) Any tax due under this chapter on a gain realized on a forced sale pursuant to foreclosure of a mortgage or other security interest in agricultural production property, other real property, or equipment, used in a farm business that was owned and operated by the taxpayer shall be a dischargeable debt in a bankruptcy proceeding under United States Code, title 11, section 727.

(b) *Income realized on a sale or exchange of agricultural production property, other real property, or equipment, used in a farm business that was owned and operated by the taxpayer shall be exempt from taxation under this chapter, if the taxpayer was insolvent at the time of the sale and the proceeds of the sale were used solely to discharge indebtedness secured by a mortgage, lien, or other security interest on the property sold. For purposes of this section, "insolvent" means insolvent as defined in section 108(d)(3) of the Internal Revenue Code of 1954, as amended through December 31, 1985. This paragraph applies only to the extent that the gain is includable in federal adjusted gross income or in the computation of the alternative minimum taxable income under section 290.091 for purposes of the alternative minimum tax. The amount of the exemption is limited to the excess of the taxpayer's (1) liabilities over (2) the total assets and any exclusion claimed under section 108 of the Internal Revenue Code of 1986, as amended through December 31, 1987, determined immediately before application of this paragraph.*

(c) For purposes of this section, any tax due under this chapter specifically includes, but is not limited to, tax imposed under sections 290.02 and 290.03 on income derived from a sale or exchange, whether constituting gain, discharge of indebtedness or recapture of depreciation deductions, or the alternative minimum tax imposed under section 290.091.

Sec. 15. Minnesota Statutes 1987 Supplement, section 290.92, subdivision 7, is amended to read:

Subd. 7. [WITHHOLDING STATEMENT TO EMPLOYEE OR PAYEE AND TO COMMISSIONER.] (1) Every person required to deduct and withhold from an employee a tax under subdivision 2a or 3, or section 290.923, subdivision 2, or who would have been required to deduct and withhold a tax under subdivision 2a or 3, or persons required to withhold tax under section 290.923, subdivision 2, determined without regard to subdivision 19, if the employee or payee had claimed no more than one withholding exemption, or who paid wages or made payments not subject to withholding under subdivision 2a or 3, or section 290.923, subdivision 2, to an employee or person receiving royalty payments in excess of \$600, or who has entered into a voluntary withholding agreement with a payee

pursuant to subdivision 20, shall furnish to each such employee or person receiving royalty payments in respect to the remuneration paid by such person to such employee or person receiving royalty payments during the calendar year, on or before January 31 of the succeeding year, or, if employment is terminated before the close of such calendar year, within 30 days after the date of receipt of a written request from the employee if the 30-day period ends before January 31, a written statement showing the following:

- (a) Name of such person,
- (b) The name of the employee or payee and the employee's or payee's social security account number,
- (c) The total amount of wages as that term is defined in subdivision 1(1), and/or the total amount of remuneration subject to withholding pursuant to subdivision 20, and the amount of sick pay as required under section 6051(f) of the Internal Revenue Code of 1954 1986, as amended through December 31, 1985 1987,
- (d) The total amount deducted and withheld as tax under subdivision 2a or 3, or section 290.923, subdivision 2.

(2) The statement required to be furnished by this subdivision in respect of any remuneration shall be furnished at such other times, shall contain such other information, and shall be in such form as the commissioner may prescribe.

(3) The commissioner may prescribe rules providing for reasonable extensions of time, not in excess of 30 days, to employers or payers required to furnish such statements to their employees or payees under this subdivision.

(4) A duplicate of any statement made pursuant to this subdivision and in accordance with rules prescribed by the commissioner, along with a reconciliation in such form as the commissioner may prescribe of all such statements for the calendar year (including a reconciliation of the quarterly returns required to be filed pursuant to subdivision 6), shall be filed with the commissioner on or before February 28 of the year after the payments were made.

(5) The employer must submit the statements required to be sent to the commissioner on magnetic media, if the media were required to satisfy the federal reporting requirements pursuant to section 6011(e) of the Internal Revenue Code of 1986, as amended through December 31, 1987, and the regulations issued under it.

Sec. 16. Minnesota Statutes 1987 Supplement, section 290.92, subdivision 15, is amended to read:

Subd. 15. [PENALTIES; FAILURE TO PAY TAX.] (1) In the case of any failure to withhold a tax on wages, or make payments to or deposits with the commissioner of amounts withheld, as required by this section, within the time prescribed by law, there shall be added to the tax a penalty equal to three percent of the amount of tax that should have been properly withheld and paid over to or deposited with the commissioner if the failure is for not more than 30 days with an additional three percent for each additional 30 days or fraction thereof during which the failure continues, not exceeding 24 percent in the aggregate. The amount of the tax together with this amount shall bear interest at the rate specified in section 270.75 from the time the tax should have been paid until paid. The amount added to the tax shall be collected at the same time and in the same manner and

as a part of the tax unless the tax has been paid before the discovery of the negligence, in which case the amount added shall be collected in the same manner as the tax.

(1a) In the case of a failure to make and file quarterly returns with the commissioner as required by this section, there shall be added to the tax a penalty equal to three percent of the amount of tax not properly withheld and paid over to or deposited with the commissioner if the failure is for not more than 30 days with an additional five percent of the amount of tax remaining unpaid during each additional 30 days or fraction thereof during which the failure continues, not exceeding 23 percent in the aggregate. The amount of the tax together with this amount shall bear interest at the rate specified in section 270.75 from the time the tax should have been paid until paid. The amount added to the tax shall be collected at the same time and in the same manner and as a part of the tax unless the tax has been paid before the discovery of the negligence, in which case the amount added shall be collected in the same manner as the tax.

(1b) In the case of a failure to file a return of tax imposed by this chapter within 60 days of the date prescribed for filing of the return (determined with regard to any extension of time for filing), the addition to tax under paragraph (1a) shall not be less than the lesser of (i) \$200; or (ii) the greater of (a) 25 percent of the amount required to be shown as tax on the return without reduction for any payments made or refundable credits allowable against the tax or (b) \$50.

(1c) Where penalties are imposed under paragraphs (1) and (1a), except for the minimum penalty under paragraph (1b), the combined penalty percentage shall not exceed 38 percent in the aggregate.

(2) If any employer required to withhold a tax on wages, make deposits, make and file quarterly returns and make payments to the commissioner of amounts withheld, as required by sections 290.92 to 290.97, willfully fails to withhold the tax or make the deposits, files a false or fraudulent return, willfully fails to make the payment or deposit, or willfully attempts in any manner to evade or defeat the tax or the payment or deposit of it, there shall also be imposed on the employer as a penalty an amount equal to 50 percent of the amount of tax, less any amount paid or deposited by the employer on the basis of the false or fraudulent return or deposit, that should have been properly withheld and paid over or deposited with the commissioner. The amount of the tax together with this amount shall bear interest at the rate specified in section 270.75 from the time the tax should have been paid until paid. The penalty imposed by this paragraph shall be collected as a part of the tax, and shall be in addition to any other penalties civil and criminal, prescribed by this subdivision.

(3) If any person required under the provisions of subdivision 7 to furnish a statement to an employee or payee and a duplicate statement to the commissioner, or to furnish a reconciliation of the statements, and quarterly returns, to the commissioner, willfully furnishes a false or fraudulent statement to an employee or payee or a false or fraudulent duplicate statement or reconciliation of statements, and quarterly returns, to the commissioner, or willfully fails to furnish a statement or the reconciliation in the manner, at the time, and showing the information required by the provisions of subdivision 7, or rules prescribed by the commissioner thereunder, there shall be imposed on the person a penalty of \$50 for each act or failure to act, but the total amount imposed on the delinquent person for all such

failures during any calendar year shall not exceed \$25,000. The penalty imposed by this paragraph is due and payable within ten days after the mailing of a written demand therefor, and may be collected in the manner prescribed in subdivision 6, paragraph (8).

(4) In addition to any other penalties prescribed, any person required to withhold a tax on wages, file quarterly returns, and make payments or deposits to the commissioner of amounts withheld, as required by this section, who attempts to evade the tax by (i) willfully failing to withhold the tax, file the return, or make the payment or deposit, or (ii) willfully preparing or filing a false return, is guilty of a gross misdemeanor unless the tax involved exceeds \$300, in which event the person is guilty of a felony.

(5) In lieu of any other penalty provided by law, except the penalty provided by paragraph (3), any person required under the provisions of subdivision 7 to furnish a statement of wages to an employee and a duplicate statement to the commissioner, who willfully furnishes a false or fraudulent statement of wages to an employee or a false or fraudulent duplicate statement of wages to the commissioner, or who willfully fails to furnish a statement in the manner, at the time, and showing the information required by the provisions of subdivision 7, or rules prescribed by the commissioner thereunder, is guilty of a gross misdemeanor.

(6) Any employee required to supply information to an employer under the provisions of ~~subdivision~~ subdivisions 4a and 5, who willfully fails to supply information or willfully supplies false or fraudulent information thereunder which would require an increase in the tax to be deducted and withheld under subdivision 2a or 3, is guilty of a gross misdemeanor.

(7) The term "person," as used in this section, includes an officer or employee of a corporation, or a member or employee of a partnership, who as an officer, employee, or member is under a duty to perform the act in respect of which the violation occurs.

(8) All payments received may, in the discretion of the commissioner of revenue, be credited first to the oldest liability not secured by a judgment or lien, but in all cases shall be credited first to penalties, next to interest, and then to the tax due.

(9) In addition to any other penalty provided by law, any employee who furnishes a withholding exemption certificate or a residency affidavit to an employer which the employee has reason to know contains a materially incorrect statement is liable to the commissioner of revenue for a penalty of \$500 for each instance. The penalty is immediately due and payable and may be collected in the same manner as any delinquent income tax.

(10) In addition to any other penalty provided by law, any employer who fails to submit a copy of a withholding exemption certificate or a residency affidavit required by subdivision 5a, clause (1)(a), (1)(b), or (2) is liable to the commissioner of revenue for a penalty of \$50 for each instance. The penalty is immediately due and payable and may be collected in the manner provided in subdivision 6, paragraph (8).

(11) Any person who willfully aids or assists in, or procures, counsels, or advises the preparation or presentation under, or in connection with any matter arising under this section, of a return, affidavit, claim, or other document, which is fraudulent or false as to any material matter, whether or not the falsity or fraud is with the knowledge or consent of the person

authorized or required to present the return, affidavit, claim, or document, is guilty of a gross misdemeanor, unless the tax involved exceeds \$300, in which event the actor is guilty of a felony.

(12) Notwithstanding the provisions of section 628.26, or any other provision of the criminal laws of this state, an indictment may be found and filed, or a complaint filed, upon any criminal offense specified in this subdivision, in the proper court within six years after the commission of the offense.

Sec. 17. [ESTIMATED TAX EXCEPTION FOR 1987.]

For taxable years beginning after December 31, 1986, but beginning before January 1, 1988, the required amount of the annual payment of the current year's tax in determining the underpayment in Minnesota Statutes, section 290.93, subdivision 10, paragraph (4), clause (a), shall be 80 percent instead of 90 percent and the penalty shall also be reduced by the ratio by which the salary income subject to withholding bears to the federal adjusted gross income for 1987 as determined under section 62 of the Internal Revenue Code of 1986, as amended through December 31, 1987.

Sec. 18. [REPEALER.]

Minnesota Statutes 1987 Supplement, section 290.077, subdivision 1, is repealed.

Sec. 19. [EFFECTIVE DATES.]

Except as otherwise provided, sections 1 to 4 and 7 are effective for taxable years beginning after December 31, 1986. The ability of surviving spouses to use the married filing joint rates in section 5 is effective for taxable years beginning after December 31, 1986. The rest of section 5 is effective for taxable years beginning after December 31, 1987. Sections 6, 7, 9, 10, 12, 13, 15, and 18 are effective for taxable years beginning after December 31, 1987. Section 11 is effective for taxable years beginning after December 31, 1984. Section 14 is effective for taxable years beginning after December 31, 1986. Section 16 is effective the day following final enactment.

ARTICLE 2

CORPORATE FRANCHISE TAX

Section 1. Minnesota Statutes 1987 Supplement, section 60A.15, subdivision 1, is amended to read:

Subdivision 1. [DOMESTIC AND FOREIGN COMPANIES.] (a) On or before April 15, June 15, and December 15 of each year, every domestic and foreign company, including town and farmers' mutual insurance companies and domestic mutual insurance companies, shall pay to the commissioner of revenue installments equal to one-third of the insurer's total estimated tax for the current year. *For insurers other than town and farmers' mutual insurance companies and mutual property and casualty insurance companies other than those (i) principally writing workers' compensation insurance, and (ii) whose total assets at the end of the preceding calendar year exceed \$1,600,000,000, installments must be based on a sum equal to two percent of the premiums described in paragraph (b). For town and farmers' mutual insurance companies and mutual property and casualty insurance companies other than those (i) principally writing workers' compensation insurance, and (ii) whose total assets at the end of the*

preceding calendar year exceed \$1,600,000,000, the installments must be based on an amount equal to one-half percent of the premiums described in paragraph (b).

(b) Installments under paragraph (a) are percentages of gross premiums less return premiums on all direct business received by the insurer in this state, or by its agents for it, in cash or otherwise, during such year, excepting premiums written for marine insurance as specified in subdivision 6.

(c) Failure of a company to make payments of at least one-third of either (a) (1) the total tax paid during the previous calendar year or (b) (2) 80 percent of the actual tax for the current calendar year shall subject the company to the penalty and interest provided in this section.

Sec. 2. Minnesota Statutes 1987 Supplement, section 60E.04, subdivision 4, is amended to read:

Subd. 4. [TAXATION.] (a) All premiums paid for coverages within this state to risk retention groups are subject to taxation at the same rate and subject to the same interest, fines, and penalties for nonpayment as that applicable to ~~foreign admitted~~ other insurers.

(b) To the extent agents or brokers are utilized, they shall report and pay the taxes for the premiums for risks which they have placed with or on behalf of a risk retention group not chartered in this state. The agents or brokers are subject to the provisions of sections 60A.195 to 60A.209.

(c) To the extent agents or brokers are not utilized or fail to pay the tax, each risk retention group shall pay the tax for risks insured within the state. Each risk retention group shall report all premiums paid to it for risks insured within the state and shall be subject to the same interest, fines, and penalties for nonpayment as that applicable to foreign admitted insurers.

Sec. 3. Minnesota Statutes 1986, section 62C.01, is amended by adding a subdivision to read:

Subd 4. [MINNESOTA COMPREHENSIVE HEALTH ASSOCIATION PREMIUMS.] Foreign or domestic nonprofit health service plan corporations are subject to gross premium tax imposed by section 60A.15 on premiums they receive as the writing carrier for the comprehensive health insurance plan.

Sec. 4. Minnesota Statutes 1986, section 64B.24, is amended to read:

64B.24 [TAXATION.]

Fraternal benefit societies are declared to be charitable institutions, and the property held and used for lodge purposes, and the funds of these societies shall be exempt from taxation under the general tax or revenue laws of this state, except that the real estate of the society shall be taxable *and premiums received as the writing carrier for the comprehensive health insurance plan shall be subject to gross premium tax under section 60A.15.*

Sec. 5. Minnesota Statutes 1987 Supplement, section 69.021, subdivision 5, is amended to read:

Subd. 5. [CALCULATION OF STATE AID.] The amount of state aid available for apportionment shall be two percent of the fire, lightning, sprinkler leakage, and extended coverage premiums reported to the commissioner by insurers on the Minnesota Firetown Premium Report and two

percent of the premiums reported to the commissioner by insurers on the Minnesota Aid to Police Premium Report. The amount for apportionment in respect to firefighter's state aid shall ~~not be greater or lesser than the amount of premium taxes paid to the state upon the premiums reported to the commissioner by insurers on the Minnesota Firetown Premium Report after subtracting the amount required to pay the state auditor's costs and expenses of the audits or exams of the firefighters relief associations be~~ the amount of state aid available for apportionment as provided in this subdivision. The total amount for apportionment in respect to police state aid shall not be greater or lesser than the amount of premium taxes paid to the state upon the premiums reported to the commissioner by insurers on the Minnesota Aid to Police Premium Report after subtracting the amount required to pay the state auditor's costs and expenses of the audits or exams of the police relief associations. The amount for apportionment in respect to police state aid shall be distributed to the municipalities maintaining police departments and to the county on the basis of the number of active peace officers, as certified pursuant to section 69.011, subdivision 2, clause (b). The commissioner shall calculate the percentage of increase or decrease reflected in the apportionment over or under the previous year's available state aid using the same premiums as a basis for comparison.

Sec. 6. Minnesota Statutes 1986, section 69.031, subdivision 3, is amended to read:

Subd. 3. [APPROPRIATIONS.] There is hereby appropriated annually from the state general fund to the commissioner of revenue an amount sufficient to make the payments specified in this section and section 69.021 ~~not exceeding the tax collected.~~

Sec. 7. Minnesota Statutes 1986, section 237.075, subdivision 8, is amended to read:

Subd. 8. [CHARITABLE CONTRIBUTIONS.] The commission shall allow as operating expenses only those charitable contributions which the commission deems prudent and which qualify under section 290.21, subdivision 3, clause (b) or (e). Only 50 percent of the qualified contributions shall be allowed as operating expenses.

Sec. 8. Minnesota Statutes 1987 Supplement, section 290.01, subdivision 5, is amended to read:

Subd. 5. [DOMESTIC CORPORATIONS.] The term "domestic" when applied to a corporation means a corporation:

(1) created or organized in ~~Minnesota or under its laws; and the term "foreign" when thus applied means a corporation other than a domestic corporation~~ the United States, or under the laws of the United States or of any state, the District of Columbia, or any political subdivision of any of the foregoing but not including the commonwealth of Puerto Rico, or any possession of the United States;

(2) which qualifies as a DISC, as defined in section 992(a) of the Internal Revenue Code of 1954, as amended through December 31, 1985; or

(3) which qualifies as a FSC, as defined in section 922 of the Internal Revenue Code of 1986, as amended through December 31, 1987.

Sec. 9. Minnesota Statutes 1986, section 290.01, is amended by adding a subdivision to read:

Subd. 5a. [FOREIGN CORPORATION.] The term "foreign," when applied to a corporation, means a corporation other than a domestic corporation.

Sec. 10. Minnesota Statutes 1986, section 290.01, is amended by adding a subdivision to read:

Subd. 6b. [FOREIGN OPERATING CORPORATION.] The term "foreign operating corporation," when applied to a corporation, means a domestic corporation with the following characteristics:

(1) it is part of a unitary business at least one member of which is taxable in this state; and

(2) either (i) the average of the percentages of its property and payrolls assigned to locations inside the United States and the District of Columbia, excluding the commonwealth of Puerto Rico and possessions of the United States, as determined under section 290.191 or 290.20, is 20 percent or less; or (ii) it has in effect a valid election under section 936 of the Internal Revenue Code of 1986, as amended through December 31, 1987.

Sec. 11. Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19, is amended to read:

Subd. 19. [NET INCOME.] The term "net income" means the federal taxable income, as defined in section 63 of the Internal Revenue Code of 1986, as amended through the date named in this subdivision, incorporating any elections made by the taxpayer in accordance with the Internal Revenue Code in determining federal taxable income for federal income tax purposes, and with the modifications provided in subdivisions 19a to 19f.

In the case of a regulated investment company or a fund thereof, as defined in section 851(a) or 851(q) of the Internal Revenue Code, federal taxable income means investment company taxable income as defined in section 852(b)(2) of the Internal Revenue Code, except that:

(1) the exclusion of net capital gain provided in section 852(b)(2)(A) of the Internal Revenue Code does not apply; and

(2) the deduction for dividends paid under section 852(b)(2)(D) of the Internal Revenue Code must be applied by allowing a deduction for capital gain dividends and exempt-interest dividends as defined in sections 852(b)(3)(C) and 852(b)(5)(A) of the Internal Revenue Code.

The Internal Revenue Code of 1986, as amended through December 31, 1986, shall be in effect for taxable years beginning after December 31, 1986.

Except as otherwise provided, references to the Internal Revenue Code in subdivisions 19a to 19f mean the code in effect for purposes of determining net income for the applicable year.

Sec. 12. Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19c, is amended to read:

Subd. 19c. [CORPORATIONS; ADDITIONS TO FEDERAL TAXABLE INCOME.] For corporations, there shall be added to federal taxable income:

(1) the amount of any deduction taken for federal income tax purposes for income, excise, or franchise taxes based on net income or related minimum taxes paid by the corporation to Minnesota, another state, a political subdivision of another state, the District of Columbia, or any foreign country or possession of the United States;

(2) interest *not subject to federal tax* upon obligations of: the United States, its possessions, its agencies, or its instrumentalities ~~to the extent the obligations are not subject to federal tax~~; the state of Minnesota or any other state, any of its political or governmental subdivisions, any of its municipalities, or any of its governmental agencies or instrumentalities; or the District of Columbia;

(3) ~~exempt interest~~ *exempt-interest* dividends *received* as defined in section 852(b)(5) of the Internal Revenue Code of 1986, as amended through December 31, 1986;

(4) the amount of any windfall profits tax deducted under section 164 or 471 of the Internal Revenue Code of 1986, as amended through December 31, 1986;

(5) the amount of any net operating loss deduction taken for federal income tax purposes under section 172 of the Internal Revenue Code of 1986, as amended through December 31, 1986;

(6) the amount of any special deductions taken for federal income tax purposes under sections 241 to 247 of the Internal Revenue Code of 1986, as amended through December 31, 1986;

(7) losses from the business of mining, as defined in section 290.05, subdivision 1, clause (a), that are not subject to Minnesota income tax;

(8) the amount of any capital losses deducted for federal income tax purposes under sections 1211 and 1212 of the Internal Revenue Code of 1986, as amended through December 31, 1986;

(9) the amount of any charitable contributions deducted for federal income tax purposes under section 170 of the Internal Revenue Code of 1986, as amended through December 31, 1986;

(10) the exempt foreign trade income of a foreign sales corporation under sections 921(a) and 291 of the Internal Revenue Code of 1986, as amended through December 31, 1986;

(11) the amount of percentage depletion deducted under sections 611 through 614 and 291 of the Internal Revenue Code of 1986, as amended through December 31, 1986; ~~and~~

(12) for certified pollution control facilities placed in service in a taxable year beginning before December 31, 1986, and for which amortization deductions were elected under section 169 of the Internal Revenue Code of 1954, as amended through December 31, 1985, the amount of the amortization deduction allowed in computing federal taxable income for those facilities; *and*

(13) *the amount of any deemed dividend from a foreign operating corporation determined pursuant to section 290.17, subdivision 4(g).*

Sec. 13. Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19d, is amended to read:

Subd. 19d. [CORPORATIONS; MODIFICATIONS DECREASING FEDERAL TAXABLE INCOME.] For corporations, there shall be subtracted from federal taxable income after the increases provided in subdivision 19c:

(1) the amount of foreign dividend gross-up added to gross income for federal income tax purposes under section 78 of the Internal Revenue Code;

(2) the decrease in salary expense for federal income tax purposes due to claiming the federal jobs credit under section 51 of the Internal Revenue Code;

(3) any dividend (not including any distribution in liquidation) paid within the taxable year by a national or state bank to the United States, or to any instrumentality of the United States exempt from federal income taxes, on the preferred stock of the bank owned by the United States or the instrumentality;

(4) amounts disallowed for intangible drilling costs due to differences between this chapter and the Internal Revenue Code in taxable years beginning before January 1, 1987, as follows:

(i) to the extent the disallowed costs are represented by physical property, an amount equal to the allowance for depreciation under Minnesota Statutes 1986, section 290.09, subdivision 7, subject to the modifications contained in subdivision 19e; and

(ii) to the extent the disallowed costs are not represented by physical property, an amount equal to the allowance for cost depletion under Minnesota Statutes 1986, section 290.09, subdivision 8;

(5) the deduction for capital losses pursuant to sections 1211 and 1212 of the Internal Revenue Code of 1986, as amended through December 31, 1986, except that:

(i) for capital losses incurred in taxable years beginning after December 31, 1986, capital loss carrybacks shall not be allowed; and

(ii) for capital losses incurred in taxable years beginning after December 31, 1986, a capital loss carryover to each of the 15 taxable years succeeding the loss year shall be allowed;

(iii) for capital losses incurred in taxable years beginning before January 1, 1987, a capital loss carryback to each of the three taxable years preceding the loss year, subject to the provisions of Minnesota Statutes 1986, section 290.16, shall be allowed; and

(iv) for capital losses incurred in taxable years beginning before January 1, 1987, a capital loss carryover to each of the five taxable years succeeding the loss year to the extent such loss was not used in a prior taxable year and subject to the provisions of Minnesota Statutes 1986, section 290.16, shall be allowed;

(6) an amount for interest and expenses relating to income not taxable for federal income tax purposes, if (i) the income is taxable under this chapter and (ii) the interest and expenses were disallowed as deductions under the provisions of section 171(a)(2), 265 or 291 of the Internal Revenue Code of 1986, as amended through December 31, 1986, in computing federal taxable income;

(7) in the case of mines, oil and gas wells, other natural deposits, and timber for which percentage depletion was disallowed pursuant to subdivision 19c, clause (11), a reasonable allowance for depletion based on actual cost. In the case of leases the deduction must be apportioned between the lessor and lessee in accordance with rules prescribed by the commissioner. In the case of property held in trust, the allowable deduction must be apportioned between the income beneficiaries and the trustee in accordance with the pertinent provisions of the trust, or if there is no provision in the

instrument, on the basis of the trust's income allocable to each;

(8) for certified pollution control facilities placed in service in a taxable year beginning before December 31, 1986, and for which amortization deductions were elected under section 169 of the Internal Revenue Code of 1954, as amended through December 31, 1985, an amount equal to the allowance for depreciation under Minnesota Statutes 1986, section 290.09, subdivision 7;

(9) the amount included in federal taxable income attributable to the credits provided in Minnesota Statutes 1986, section 273.1314, subdivision 9, or Minnesota Statutes, section 469.171, subdivision 6;

(10) amounts included in federal taxable income that are due to refunds of income, excise, or franchise taxes based on net income or related minimum taxes paid by the corporation to Minnesota, another state, a political subdivision of another state, the District of Columbia, or a foreign country or possession of the United States to the extent that the taxes were added to federal taxable income under section 290.01, subdivision 19c, clause (1), in a prior taxable year; and

(11) the following percentage of royalties, fees, or other like income accrued or received from a foreign operating corporation or a foreign corporation which is part of the same unitary business as the receiving corporation:

<i>Taxable Year</i>	
<i>Beginning After</i>	<i>Percentage</i>
<i>June 30, 1988</i>	<i>50 percent</i>
<i>December 31, 1988</i>	<i>65 percent</i>
<i>June 30, 1989</i>	<i>80 percent.</i>

Sec. 14. Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19e, is amended to read:

Subd. 19e. [DEPRECIATION MODIFICATIONS FOR CORPORATIONS.] In the case of corporations, a modification shall be made for the accelerated cost recovery system. The allowable deduction for the accelerated cost recovery system is the same amount as provided in section 168 of the Internal Revenue Code with the following modifications. The modifications apply to taxable years beginning after December 31, 1986, and to property for which deductions under the Tax Reform Act of 1986, Public Law Number 99-514, are elected or apply.

(a) For property placed in service after December 31, 1980, and before January 1, 1987, 40 percent of the allowance pursuant to section 168 of the Internal Revenue Code of 1954, as amended through December 31, 1985, for 15-, 18-, or 19-year real property shall not be allowed and for all other property 20 percent shall not be allowed.

(b) For property placed in service after December 31, 1987, no modification shall be made.

(c) For property placed in service after July 31, 1986, and before January 1, 1987, for which the taxpayer elects the deduction pursuant to section 203 of the Tax Reform Act of 1986, Public Law Number 99-514, and for property placed in service after December 31, 1986, and before January 1, 1988, 15 percent of the allowance pursuant to section 168 of the Internal Revenue Code of 1986 shall not be allowed.

(d) For property placed in service after December 31, 1980, and before January 1, 1987, for which the taxpayer elects to use the straight line method provided in section 168(b)(3), (f)(12), or (j)(1) or a method provided in section 168(e)(2) of the Internal Revenue Code of 1986, as amended through December 31, 1986, but excluding property for which the taxpayer elects the deduction pursuant to section 203 of the Tax Reform Act of 1986, Public Law Number 99-514, the modifications provided in paragraph (a) do not apply.

(e) For property subject to the modifications contained in paragraphs (a) and (b) (c) and Minnesota Statutes 1986, section 290.09, subdivision 7, clause (c), the following modification shall be made after the entire amount of the allowable deduction has been allowed for federal tax purposes for that property under the provisions of section 168 of the Internal Revenue Code of 1986, as amended through December 31, 1986. The remaining depreciable basis in those assets for Minnesota purposes, including the amount of any basis reduction to reflect the investment tax credit for federal purposes under sections 48(q) and 49(d) of the Internal Revenue Code of 1986, as amended through December 31, 1986, shall be a depreciation allowance computed using the straight line method over the following number of years:

- (1) three-year property, one year;
- (2) five-year and seven-year property, two years;
- (3) ten-year property, five years; and
- (4) all other property, seven years.

(f) For property placed in service after December 31, 1987, the remaining depreciable basis for Minnesota purposes that is attributable to the basis reduction for federal purposes to reflect the investment tax credit under sections 48(q) and 49(d) of the Internal Revenue Code of 1986, as amended through December 31, 1986, shall be allowed as a deduction in the first taxable year after the entire amount of the allowable deduction for that property under the provisions of section 168 of the Internal Revenue Code of 1986, has been allowed, except that where the straight line method provided in section 168(b)(3) is used, the deduction provided in this clause shall be allowed in the last taxable year in which an allowance for depreciation is allowed for that property.

(g) For qualified timber property for which the taxpayer made an election under section 194 of the Internal Revenue Code of 1986, the remaining depreciable basis for Minnesota purposes is allowed as a deduction in the first taxable year after the entire allowable deduction has been allowed for federal tax purposes.

(h) The basis of property to which section 168 of the Internal Revenue Code applies is its basis as provided in this chapter including the modifications provided in this subdivision and in Minnesota Statutes 1986, section 290.09, subdivision 7, paragraph (c). The recapture tax provisions provided in sections 1245 and 1250 of the Internal Revenue Code of 1986, as amended through December 31, 1986, apply but must be calculated using the basis provided in the preceding sentence.

(i) The basis of an asset acquired in an exchange of assets, including an involuntary conversion, is the same as its federal basis under the provisions of the Internal Revenue Code of 1986, except that the difference in basis

due to the modifications in this subdivision and in Minnesota Statutes 1986, section 290.09, subdivision 7, paragraph (c), is a deduction as provided in paragraph (e).

Sec. 15. Minnesota Statutes 1987 Supplement, section 290.015, subdivision 1, is amended to read:

Subdivision 1. [GENERAL RULE.] A person, other than a resident individual, that conducts a trade or business with its principal place of business outside of Minnesota is subject to the taxes imposed by this chapter with respect to that trade or business if the trade or business makes sales or receives other income that is assignable or apportionable to this state under section 290.17, 290.191, 290.20, 290.35 or 290.36 without regard to physical presence in this state, except as provided in subdivision 3. Activities that create jurisdiction to tax under this chapter include, but are not limited to:

- (1) having a place of business in this state;
- (2) having employees, representatives, or independent contractors conducting business activities in this state;
- (3) regularly selling products or services of any kind or nature to customers in this state who receive the product or service in this state;
- (4) regularly soliciting business from potential customers in this state;
- (5) regularly performing services from outside this state which are consumed within this state;
- (6) regularly engaging in transactions with customers in this state that involve intangible property, including loans but not property described in subdivision 3, paragraph (b), and result in income flowing to the person from within this state;
- (7) owning or leasing tangible personal or real property located in this state; or
- (8) if a financial institution, regularly soliciting and receiving deposits from customers in this state.

(a) Except as provided in subdivision 3, a person that conducts a trade or business which has a place of business in this state, regularly has employees or independent contractors conducting business activities on its behalf in this state, or owns or leases real property located in this state or tangible personal property located in this state as defined in section 290.191, subdivision 6, paragraph (e), is subject to the taxes imposed by this chapter.

(b) Except as provided in subdivision 3, a person that conducts a trade or business not described in paragraph (a) is subject to the taxes imposed by this chapter if the trade or business obtains or regularly solicits business from within this state, without regard to physical presence in this state.

(c) For purposes of paragraph (b), business from within this state includes, but is not limited to:

- (1) sales of products or services of any kind or nature to customers in this state who receive the product or service in this state;
- (2) sales of services which are performed from outside this state but the benefits of which are consumed in this state;

(3) transactions with customers in this state that involve intangible property and result in income flowing to the person from within this state;

(4) leases of tangible personal property that is located in this state as defined in section 290.191, subdivision 6, paragraph (e);

(5) sales and leases of real property located in this state; and

(6) if a financial institution, deposits received from customers in this state.

(d) For purposes of paragraph (b), solicitation includes, but is not limited to:

(1) the distribution, by mail or otherwise, without regard to the state from which such distribution originated or in which the materials were prepared, of catalogs, periodicals, advertising flyers, or other written solicitations of business to customers in this state;

(2) display of advertisements on billboards or other outdoor advertising in this state;

(3) advertisements in newspapers published in this state;

(4) advertisements in trade journals or other periodicals, the circulation of which is primarily within this state;

(5) advertisements in a Minnesota edition of a national or regional publication or a limited regional edition of which this state is included of a broader regional or national publication which are not placed in other geographically defined editions of the same issue of the same publication;

(6) advertisements in regional or national publications in an edition which is not by its contents geographically targeted to Minnesota, but which is sold over the counter in Minnesota or by subscription to Minnesota residents;

(7) advertisements broadcast on a radio or television station located in Minnesota; or

(8) any other solicitation by telegraph, telephone, computer data base, cable, optic, microwave, or other communication system.

Sec. 16. Minnesota Statutes 1987 Supplement, section 290.015, subdivision 2, is amended to read:

Subd. 2. [PRESUMPTION.] (a) A person is presumed, subject to rebuttal, to be engaged in regular solicitation within this state if it conducts transactions described in any of subdivision 1, clauses (3) to (6); with 20 or more residents of this state during any tax period or, if a financial institution, if the sum of its assets and the absolute value of its deposits attributable to sources within this state equals or exceeds \$5,000,000. Assets and deposits must be attributed to sources within this state by applying the principles established under section 290.191 obtaining or regularly soliciting business from within this state if:

(1) it conducts activities described in subdivision 1, paragraph (b), without regard to transactions described in subdivision 3, with 20 or more residents of this state during any tax period; or

(2) it is a financial institution as defined in section 290.01, subdivision 4a, and the sum of its assets and the absolute value of its deposits attributable to sources within this state equals or exceeds \$5,000,000, with

assets and deposits attributed to sources within this state by applying the principles established under section 290.191, except as provided in subdivision 3.

(b) A financial institution that does not satisfy the requirements of paragraph (b) is not subject to taxes imposed by this chapter except for taxes imposed under section 290.92.

Sec. 17. Minnesota Statutes 1987 Supplement, section 290.015, subdivision 3, is amended to read:

Subd. 3. [EXCEPTIONS.] (a) A person is not subject to tax under this chapter if the person is engaged in the business of selling tangible personal property and taxation of that person under this chapter is precluded by Public Law Number 86-272, United States Code, title 15, sections 381 to 384 *or would be so precluded except for the fact that the person stored tangible personal property in a state licensed facility under chapter 231, and the property was delivered to and removed from such facility by persons independent of the owner of the property.*

(b) Ownership of an interest in the following types of property (*including those contacts with this state reasonably required to evaluate and complete the acquisition or disposition of such property, the servicing of said property or the income therefrom, the collection of income from said property, or the acquisition or liquidation of collateral relating to said property*) shall not be a factor in determining whether the owner is subject to tax under this chapter:

(1) an interest in a real estate mortgage investment conduit, a real estate investment trust, or a regulated investment company, as those terms are defined in the Internal Revenue Code of 1986, as amended through December 31, 1986; and

(2) an interest in a loan-backed, *mortgage-backed, or receivable-backed* security representing *either: (i) ownership in a pool of promissory notes, mortgages, or receivables or certificates of interest or participation in such notes, mortgages, or receivables, or (ii) debt obligations or equity interests* which provide for payments in relation to payments or reasonable projections of payments on the notes, *mortgages, or receivables, and which are issued by a financial institution or by an entity substantially all of whose assets consist of promissory notes, mortgages, receivables, or interests therein;*

(3) *an interest that has been purchased or acquired by or from a financial institution in any assets described in section 290.191, subdivision 11, paragraphs (e) through (l), and in which the payment obligations embodied in such assets were solicited and entered into by persons independent and not acting on behalf of the owner;*

(4) *an interest that has been purchased or acquired by or from a financial institution in the right to service, or collect income from any assets described in section 290.191, subdivision 11, paragraphs (e) through (l), and in which the payment obligations embodied in such assets were solicited and entered into by persons independent and not acting on behalf of the owner;*

(5) *an interest in any intangible, tangible, real, or personal property acquired in satisfaction, whether in whole or in part, of any asset embodying a payment obligation which is in default, whether secured or unsecured, the ownership of an interest in which would be exempt under the preceding*

provisions of this subdivision; and

(6) amounts held in escrow or trust accounts, pursuant to and in accordance with the terms of property described in this subdivision.

If the person is a member of the unitary group, paragraph (b) does not apply to an interest acquired from another member of the unitary group.

Sec. 18. Minnesota Statutes 1987 Supplement, section 290.015, subdivision 4, is amended to read:

Subd. 4. [LIMITATIONS.] *(a) This section does not (1) subject a trade or business to any regulation, including any tax, of any local unit of government or subdivision of this state if the trade or business does not own or lease tangible or real property located within this state and has no employees or independent contractors present in this state to assist in the carrying on of the business; or (2) exclude a trade or business from the filing requirements of the notice of business activities report under section 290.371.*

(b) The purchase of tangible or intangible property or services by a person that conducts a trade or business with the principal place of business outside of Minnesota (the "non-Minnesota person") from a person within Minnesota shall not be taken into account in determining whether the non-Minnesota person is subject to the taxes imposed by this chapter, except for services involving either the direct solicitation of Minnesota customers or relationships with Minnesota customers after sales are made.

(c) No contact with any Minnesota financial institution by any financial institution with its principal place of business outside Minnesota with respect to transactions described in subdivision 3, shall be taken into account in determining whether such a financial institution is subject to the taxes imposed by this chapter. The fact of participation by a Minnesota financial institution in a transaction which also involves a borrower and a financial institution that conducts a trade or business with its principal place of business outside of Minnesota shall not be a factor in determining whether such financial institution is subject to the taxes imposed by this chapter. This paragraph does not apply to transactions between or among members of the same unitary group.

Sec. 19. Minnesota Statutes 1987 Supplement, section 290.06, subdivision 21, is amended to read:

Subd. 21. [ALTERNATIVE MINIMUM TAX.] *(a) A corporation is allowed a credit for alternative minimum tax previously paid for any taxable year in which the corporation has no tax liability under section 290.092, subdivision 1, and has an alternative minimum tax credit carryover from a previous year. The credit allowable in any taxable year shall be equal to the lesser of (1) the excess of the tax under section 290.06 for the taxable year over the amount computed under section 290.092, subdivision 1, clause (a) (1), for the taxable year, or (2) the alternative minimum tax credit carryover to the taxable year.*

(b) The tax imposed under section 290.092 for any taxable year is a credit for alternative minimum tax previously paid which is a carryover to each of the five taxable years succeeding the taxable year. The entire amount of the alternative minimum tax credit must be carried to the earliest of the taxable years to which such amount may be carried. The portion of the alternative minimum tax credit which is carried to each of the other taxable

years to which the credit may be carried is the excess, if any, of the credit over the amount allowable under paragraph (a) for each of the taxable years to which the credit may be carried. In each taxable year in which a credit is allowable under paragraph (a), the credit for alternative minimum tax previously paid must be used beginning with the earliest taxable year from which the credit may be carried.

Sec. 20. Minnesota Statutes 1987 Supplement, section 290.092, subdivision 3, is amended to read:

Subd. 3. [ALTERNATIVE MINIMUM TAX BASE.] The alternative minimum tax base equals the sum of:

- (1) the total amount of Minnesota sales ~~and~~ or receipts;
- (2) the amount of the taxpayer's total Minnesota property; and
- (3) the taxpayer's total Minnesota payrolls;

less the exemption amount, if any.

Sec. 21. Minnesota Statutes 1987 Supplement, section 290.092, subdivision 4, is amended to read:

Subd. 4. [DEFINITIONS.] (a) "Minnesota sales ~~and~~ or receipts" means the total sales apportioned to Minnesota pursuant to section 290.191, subdivision 5, the total receipts attributed to Minnesota pursuant to section 290.191, subdivisions 6 to 8, and/or the total sales or receipts apportioned or attributed to Minnesota pursuant to any other apportionment formula applicable to the taxpayer.

(b) "Minnesota property" means total Minnesota tangible property as provided in section 290.191, subdivisions 9 to 11, and any other tangible property located in Minnesota *except as provided in subdivision 4a*. Intangible property shall not be included in Minnesota property for purposes of this section. Taxpayers who do not utilize tangible property to apportion income shall nevertheless include Minnesota property for purposes of this section. ~~For the first five taxable years during which a corporation is subject to taxation under this chapter, the amount of its Minnesota property and payrolls shall be deemed to be zero for purposes of this section~~ *On a return for a short taxable year, the amount of Minnesota property owned, as determined under section 290.191, shall be included in Minnesota property based on a fraction in which the numerator is the number of days in the short taxable year and the denominator is 365.*

(c) "Minnesota payrolls" means total Minnesota payrolls as provided in section 290.191, subdivision 12, *except as provided in subdivision 4a*. Taxpayers who do not utilize payrolls to apportion income shall nevertheless include Minnesota payrolls for purposes of this section.

(d) The "exemption amount" equals the lesser of (1) the sum of the taxpayer's Minnesota sales ~~and~~ or receipts, property, and payrolls, *as defined in this section*, or (2) \$5,000,000 reduced by one-half of the amount of the taxpayer's total sales and receipts, property, and payrolls, *as defined in this section*, in excess of \$10,000,000. *In the case of a unitary group, the exemption amount equals the lesser of (1) the sum of the unitary group's Minnesota sales or receipts, property, and payrolls or (2) \$5,000,000 reduced by one-half of the unitary group's total sales or receipts, property, and payrolls in excess of \$10,000,000. Each member of a unitary group*

may use a portion of the unitary group's exemption amount based on a fraction, the numerator of which is the sum of the taxpayer's Minnesota sales or receipts, property, and payrolls and the denominator is the sum of the Minnesota sales or receipts, property, and payrolls of all unitary members subject to the taxes imposed by this chapter. Total sales and receipts, property, and payroll means the total determined under section 290.191 as the denominator of the apportionment formula. For purposes of this section, taxpayers who use an apportionment formula that does not include sales or receipts, property, and payrolls shall, nevertheless, use those amounts as defined in section 290.191, subdivisions 5 to 12. On a return for a short taxable year, the amount of total property owned, as determined under section 290.191, shall be included in Minnesota property based on a fraction in which the numerator is the number of days in the short taxable year and the denominator is 365. In the case of a unitary business, the exemption amount must reflect the factors of the ~~entire~~ all businesses included in the unitary business group as reported on the ~~combined report~~ defined in section 290.17, subdivision 4. A corporation that has as its sole or primary business activity (1) the providing of professional services, as defined in section 319A.02; (2) operation as a financial institution, as defined in section 290.01, subdivision 4a; (3) sales or management of real estate; or (4) operation as an insurance agency, as defined in section 60A.02, does not have an exemption amount.

Sec. 22. Minnesota Statutes 1987 Supplement, section 290.092, is amended by adding a subdivision to read:

Subd. 4a. [NEW BUSINESS EXCLUSION.] For the first five taxable years during which a corporation is subject to taxation under this chapter, the amount of its Minnesota property and payrolls must be excluded from the alternative minimum tax base unless it is disqualified in this subdivision. A corporation is considered subject to taxation under this chapter if it would be subject to Minnesota's jurisdiction to tax as provided in section 290.015, before claiming this exclusion. The following does not qualify for this exclusion:

(1) a corporation that is a member of a unitary group that includes at least one business that does not qualify for this exclusion;

(2) any corporation organized under the laws of this state or certified to do business within this state at least five taxable years before the taxable year in which this exclusion is claimed;

(3) corporations created by: reorganizations, as defined in section 368 of the Internal Revenue Code of 1986, as amended through December 31, 1987; or split-ups, split-offs, or spin-offs, as described in section 355 of the Internal Revenue Code of 1986, as amended through December 31, 1987; or the transfer or acquisition, whether directly or indirectly, of assets which constitute a trade or business, including stock purchases under section 338 of the Internal Revenue Code of 1986, as amended through December 31, 1987, where the surviving, newly formed, or acquiring corporation conducts substantially the same activities as the predecessor corporation, regardless of whether or not the survivor corporation also conducts additional activities, and the predecessor corporation would not otherwise qualify for this exclusion if it had continued to conduct those activities;

(4) any change in identity or form of business where the original business

entity would have been subject to Minnesota's taxing jurisdiction, as provided in section 290.015, at least five taxable years before the taxable year in which this exclusion is claimed;

(5) a corporation, the primary business activity of which is the providing of professional services as defined in section 319A.02, operation as a financial institution, as defined in section 290.01, subdivision 4a; sales or management of real estate; or operation as an insurance agency, as defined in section 60A.03; or

(6) a corporation the affairs of which the commissioner finds were arranged as they were primarily to reduce taxes.

Sec. 23. Minnesota Statutes 1987 Supplement, section 290.095, subdivision 1, is amended to read:

Subdivision 1. [ALLOWANCE OF DEDUCTION.] (a) There shall be allowed as a deduction for the taxable year the amount of any net operating loss deduction as provided in section 172 of the Internal Revenue Code of 1986, as amended through December 31, 1986, subject to the limitations and modifications provided in this section.

(b) A net operating loss deduction shall be available under this section only to corporate taxpayers except that subdivisions 7, 9, and 11 hereof apply only to individuals, estates, and trusts.

(c) In the case of a regulated investment company or fund thereof, as defined in section 851(a) or 851(q) of the Internal Revenue code of 1986, as amended through December 31, 1987, the deduction provided by this section shall not be allowed.

Sec. 24. Minnesota Statutes 1987 Supplement, section 290.095, subdivision 2, is amended to read:

Subd. 2. [DEFINED AND LIMITED.] (a) The term "net operating loss" as used in this section shall mean a net operating loss as defined in section 172(c) of the Internal Revenue Code of 1986, as amended through December 31, 1986, with the modifications specified in subdivision 4. The deductions provided in section 290.21 and the modification provided in section 290.01, subdivision 19d, clause (11), cannot be used in the determination of a net operating loss.

(b) The term "net operating loss deduction" as used in this section means the aggregate of the net operating loss carryovers to the taxable year, computed in accordance with subdivision 3. The provisions of section 172(b) of the Internal Revenue Code of 1986, as amended through December 31, 1986, relating to the carryback of net operating losses, do not apply.

Sec. 25. Minnesota Statutes 1987 Supplement, section 290.095, subdivision 3, is amended to read:

Subd. 3. [CARRYOVER.] (a) A net operating loss for any taxable year incurred in a taxable year: (i) beginning after December 31, 1986, shall be a net operating loss carryover to each of the 15 taxable years following the taxable year of such loss; (ii) beginning before January 1, 1987, shall be a net operating loss carryover to each of the five taxable years following the taxable year of such loss subject to the provisions of Minnesota Statutes 1986, section 290.095; and (iii) beginning before January 1, 1987, shall be a net operating loss carryback to each of the three taxable years preceding the loss year subject to the provisions of Minnesota Statutes 1986,

section 290.095.

(b) The entire amount of the net operating loss for any taxable year shall be carried to the earliest of the taxable years to which such loss may be carried. The portion of such loss which shall be carried to each of the other taxable years shall be the excess, if any, of the amount of such loss over the sum of the taxable net income, adjusted by the modifications specified in subdivision 4, for each of the taxable years to which such loss may be carried.

(c) Where a corporation does business both within and without Minnesota, and apports its income under the provisions of section 290.191, the net operating loss deduction, *incurred in any taxable year* shall be allowed to the extent of the apportionment ratio of the loss year.

(d) No additional net operating loss deduction is allowed in a subsequent taxable year for the portion of a net operating loss deduction *incurred in any taxable year* used to offset Minnesota income in a year in which the taxpayer is subject to the alternative minimum tax in section 290.092.

Sec. 26. Minnesota Statutes 1987 Supplement, section 290.095, is amended by adding a subdivision to read:

Subd. 12. [UNITARY GROUP; CARRYBACK; CARRYFORWARD.] A taxpayer may elect a net operating loss carryback to each of the three taxable years preceding the taxable year of the loss and a net operating loss carryover to each of the five taxable years following the taxable year of the loss, notwithstanding subdivision 3, clause (a). The net operating loss carryback and carryover allowed under this subdivision is limited to the part of the net operating loss attributable to the deduction allowed for bad debts under section 166(a) of the Internal Revenue Code of 1986, as amended through December 31, 1987. The part of the net operating loss for any taxable year that is attributable to the deduction allowed for bad debts is the excess of the net operating loss for the taxable year, over the net operating loss for the taxable year determined without regard to the amount allowed as a deduction for bad debts for the taxable year. In applying the provisions of subdivision 3, clause (b), the part of the net operating loss for the loss year that is attributable to the deduction allowed for bad debts is considered a separate net operating loss for the year to be applied before the other part of the net operating loss. This subdivision applies only to taxpayers where a member of the unitary group meets the definition found in section 585(c)(2)(A) of the Internal Revenue Code of 1986, as amended through December 31, 1987, and includes all corporations included in the unitary group and required to be included on a combined report. A refund of tax that is the result of a net operating loss carryback under this section must be paid after two years but before two years and 30 days after the claim for refund was filed.

Sec. 27. Minnesota Statutes 1987 Supplement, section 290.10, is amended to read:

290.10 [NONDEDUCTIBLE ITEMS.]

Notwithstanding any other provision of law, in computing the net income of a corporation no deduction shall in any case be allowed for expenses, interest and taxes connected with or allocable against the production or receipt of all income not included in the measure of the tax imposed by this chapter, except that for corporations engaged in the business of mining or producing iron ore, the mining of which is subject to the occupation tax

imposed by section 298.01, subdivision 1, and the provisions of section 298.031, this shall not prevent the deduction of expenses and other items to the extent that the expenses and other items are allowable under this chapter and are not deductible, capitalizable, retainable in basis, or taken into account by allowance or otherwise in computing the occupation tax and do not exceed the amounts taken for federal income tax purposes for that year. Occupation taxes imposed under chapter 298, royalty taxes imposed under chapter 299, or depletion expenses may not be deducted under this clause.

Sec. 28. Minnesota Statutes 1987 Supplement, section 290.17, subdivision 4, is amended to read:

Subd. 4. [UNITARY BUSINESS PRINCIPLE.] (a) If a trade or business conducted wholly within this state or partly within and partly without this state is part of a unitary business, the entire income of the unitary business is subject to apportionment pursuant to section 290.191. Notwithstanding subdivision 2, paragraph (c), none of the income of a unitary business is considered to be derived from any particular source and none may be allocated to a particular place except as provided by the applicable apportionment formula. The provisions of this subdivision do not apply to farm income subject to subdivision 5, paragraph (a), business income subject to subdivision 5, paragraph (b) or (c), income of an insurance company determined under section 290.35, or income of an investment company determined under section 290.36.

(b) The term "unitary business" means business activities or operations which are of mutual benefit, dependent upon, or contributory to one another, individually or as a group. The term may be applied within a single legal entity or between multiple entities and without regard to whether each entity is a corporation, a partnership or a trust.

(c) Unity is presumed whenever there is unity of ownership, operation, and use, evidenced by centralized management or executive force, centralized purchasing, advertising, accounting, or other controlled interaction, but the absence of these centralized activities will not necessarily evidence a nonunitary business.

(d) Where a business operation conducted in Minnesota is owned by a business entity that carries on business activity outside the state different in kind from that conducted within this state, and the other business is conducted entirely outside the state, it is presumed that the two business operations are unitary in nature, interrelated, connected, and interdependent unless it can be shown to the contrary.

(e) Unity of ownership is not deemed to exist when a corporation is involved unless that corporation is a member of a group of two or more business entities and more than 50 percent of the voting stock of each member of the group is directly or indirectly owned by a common owner or by common owners, either corporate or noncorporate, or by one or more of the member corporations of the group.

(f) For purposes of determining the net income of a unitary business and the factors to be used in the apportionment of net income pursuant to section 290.191 or 290.20, there must be included only the income and apportionment factors of corporations or other entities created or organized in the United States or under the laws of the United States or of any state, the District of Columbia, the commonwealth of Puerto Rico, any possession

of the United States, or any political subdivision of any the foregoing and of any FSC as defined in section 922 of the Internal Revenue Code of 1986, as amended through December 31, 1986, that are determined to be part of the unitary business pursuant to this subdivision, notwithstanding that other corporations or other entities organized in foreign countries might be included in the unitary business. The net income and apportionment factors under section 290.191 or section 290.20 of foreign corporations and other foreign entities which are part of a unitary business shall not be included in the net income or the apportionment factors of the unitary business. A foreign corporation or other foreign entity which is required to file a return under this chapter shall file on a separate return basis. The net income and apportionment factors under section 290.191 or section 290.20 of foreign operating corporations shall not be included in the net income or the apportionment factors of the unitary business except as provided in paragraph (g).

(g) The adjusted net income of a foreign operating corporation shall be deemed to be paid as a dividend on the last day of its taxable year to each shareholder thereof, in proportion to each shareholder's ownership, with which such corporation is engaged in a unitary business. Such deemed dividend shall be treated as a dividend under section 290.21, subdivision 4.

Dividends actually paid by a foreign operating corporation to a corporate shareholder which is a member of the same unitary business as the foreign operating corporation shall be eliminated from the net income of the unitary business in preparing a combined report for the unitary business. The adjusted net income of a foreign operating corporation shall be its net income adjusted as follows:

(1) any taxes paid or accrued to a foreign country, the commonwealth of Puerto Rico, or a United States possession or political subdivision of any of the foregoing shall be a deduction; and

(2) the subtraction from federal taxable income for payments received from foreign corporations or foreign operating corporations under section 290.01, subdivision 19(d)(11), shall not be allowed.

If a foreign operating corporation incurs a net loss, neither income nor deduction from that corporation shall be included in determining the net income of the unitary business.

(h) For purposes of determining the net income of a unitary business and the factors to be used in the apportionment of net income pursuant to section 290.191 or 290.20, there must be included only the income and apportionment factors of domestic corporations or other domestic entities other than foreign operating corporations that are determined to be part of the unitary business pursuant to this subdivision, notwithstanding that foreign corporations or other foreign entities might be included in the unitary business.

(i) Deductions for expenses, interest, or taxes otherwise allowable under this chapter that are connected with or allocable against dividends, deemed dividends described in paragraph (g) or royalties, fees, or other like income described in section 290.01, subdivision 19(d)(9), shall not be disallowed.

(g) (j) Each corporation or other entity that is part of a unitary business must file combined reports as the commissioner determines. On the reports,

all intercompany transactions between entities included pursuant to paragraph (f) (h) must be eliminated and the entire net income of the unitary business determined in accordance with this subdivision is apportioned among the entities by using each entity's Minnesota factors for apportionment purposes in the numerators of the apportionment formula and the total factors for apportionment purposes of all entities included pursuant to paragraph (f) (h) in the denominators of the apportionment formula.

(k) *If a corporation has been divested from a unitary business and is included in a combined report for a fractional part of the common accounting period of the combined report:*

(1) *its income includable in the combined report is its income incurred for that part of the year determined by proration or separate accounting; and*

(2) *its sales, property, and payroll included in the apportionment formula must be prorated or accounted for separately.*

Sec. 29. Minnesota Statutes 1987 Supplement, section 290.191, subdivision 1, is amended to read:

Subdivision 1. [GENERAL RULE.] Except as otherwise provided in section 290.17, subdivision 5, the net income from a trade or business carried on partly within and partly without this state must be apportioned to this state as provided in this section. *For purposes of this section, state means a state of the United States, the District of Columbia, the commonwealth of Puerto Rico, or any territory or possession of the United States or any foreign country.*

Sec. 30. Minnesota Statutes 1987 Supplement, section 290.191, subdivision 4, is amended to read:

Subd. 4. [APPORTIONMENT FORMULA FOR CERTAIN MAIL ORDER BUSINESSES.] If the business consists exclusively of the selling of tangible personal property and services in response to orders received by United States mail or telephone, and ~~100~~ 99 percent of the taxpayer's property and payroll is within Minnesota, then the taxpayer may apportion net income to Minnesota based solely upon the percentage that the sales made within this state in connection with the trade or business during the tax period are of the total sales wherever made in connection with the trade or business during the tax period. Property and payroll factors are disregarded. In determining eligibility for this subdivision, the sale not in the ordinary course of business of tangible or intangible assets used in conducting business activities must be disregarded. ~~This subdivision is repealed effective for taxable years beginning after December 31, 1988.~~

Sec. 31. Minnesota Statutes 1987 Supplement, section 290.191, subdivision 5, is amended to read:

Subd. 5. [DETERMINATION OF SALES FACTOR.] (a) For purposes of this section, the following rules apply in determining the sales factor.

(b) (a) *The sales factor includes all sales, gross earnings, or receipts received in the ordinary course of the business, except that the following types of income are not included in the sales factor:*

(1) *interest;*

(2) *dividends;*

(3) sales of capital assets as defined in section 1221 of the Internal Revenue Code of 1986, as amended through December 31, 1987;

(4) sales of property used in the trade or business, except sales of leased property of a type which is regularly sold as well as leased;

(5) sales of debt instruments as defined in section 1275(a)(1) of the Internal Revenue Code of 1986, as amended through December 31, 1987, or sales of stock; and

(6) royalties, fees, or other like income of a type which qualify for a subtraction from federal taxable income under section 290.01, subdivision 19(d)(11).

(b) Sales of tangible personal property are made within this state if the property is received by a purchaser at a point within this state, and the taxpayer is taxable in this state, regardless of the f.o.b. point, other conditions of the sale, or the ultimate destination of the property.

(c) Tangible personal property delivered to a common or contract carrier or foreign vessel for delivery to a purchaser in another state or nation is a sale in that state or nation, regardless of f.o.b. point or other conditions of the sale.

(d) Notwithstanding paragraphs (b) and (c), when intoxicating liquor, wine, fermented malt beverages, cigarettes, or tobacco products are sold to a purchaser who is licensed by a state or political subdivision to resell this property only within the state of ultimate destination, the sale is made in that state.

(e) Sales made by or through a corporation that is qualified as a domestic international sales corporation under section 992 of the Internal Revenue Code are not considered to have been made within this state.

~~(f) Sales, other than sales of tangible personal property, are made in this state if the property is used, or the benefits of the services are consumed, in this state. If the property is used or the benefits of the services are consumed in more than one state, the sales must be apportioned pro rata according to the portion of use or consumption of benefits in this state. Sales, rents, royalties, and other income in connection with real property is attributed to the state in which the property is located.~~

(g) Receipts from the lease or rental of tangible personal property, including finance leases and true leases, must be attributed to this state if the property is located in this state and to other states if the property is not located in this state. Moving property including, but not limited to, motor vehicles, rolling stock, aircraft, vessels, or mobile equipment is located in this state if:

(1) the operation of the property is entirely within this state; or

(2) the operation of the property is in two or more states and the principal base of operations from which the property is sent out is in this state.

(h) Royalties and other income not described in paragraph (a)(6) received for the use of or for the privilege of using intangible property, including patents, know-how, formulas, designs, processes, patterns, copyrights, trade names, service names, franchises, licenses, contracts, customer lists, or similar items, must be attributed to the state in which the property is used by the purchaser. If the property is used in more than one state, the royalties or other income must be apportioned to this state pro rata according to

the portion of use in this state. If the portion of use in this state cannot be determined, the royalties or other income must be excluded from both the numerator and the denominator. Intangible property is used in this state if the purchaser uses the intangible property or the rights therein in the regular course of its business operations in this state, regardless of the location of the purchaser's customers.

(i) Sales of intangible property are made within the state in which the property is used by the purchaser. If the property is used in more than one state, the sales must be apportioned to this state pro rata according to the portion of use in this state. If the portion of use in this state cannot be determined, the sale must be excluded from both the numerator and the denominator of the sales factor. Intangible property is used in this state if the purchaser used the intangible property in the regular course of its business operations in this state.

(j) Receipts from the performance of services must be attributed to the state in which the benefits of the services are consumed. If the benefits are consumed in more than one state, the receipts from those benefits must be apportioned to this state pro rata according to the portion of the benefits consumed in this state. If the extent to which the benefits of services are consumed in this state is not readily determinable, the benefits of the services shall be deemed to be consumed at the location of the office of the customer from which the services were ordered in the regular course of the customer's trade or business. If the ordering office cannot be determined, the benefits of the services shall be deemed to be consumed at the office of the customer to which the services are billed.

Sec. 32. Minnesota Statutes 1987 Supplement, section 290.191, subdivision 6, is amended to read:

Subd. 6. [DETERMINATION OF RECEIPTS FACTOR FOR FINANCIAL INSTITUTIONS.] (a) For purposes of this section, the rules in this subdivision and subdivisions 7 and 8 apply in determining the receipts factor for financial institutions.

(b) "Receipts" for this purpose means gross income, including net taxable gain on disposition of assets, including securities and money market ~~trans-~~
~~actions~~ *instruments*, when derived from transactions and activities in the regular course of the taxpayer's trade or business.

(c) "Money market instruments" means federal funds sold and securities purchased under agreements to resell, commercial paper, banker's acceptances, and purchased certificates of deposit and similar instruments to the extent that the instruments are reflected as assets under generally accepted accounting principles.

(d) "Securities" means United States Treasury securities, obligations of United States government agencies and corporations, obligations of state and political subdivisions, corporate stock and other securities, participations in securities backed by mortgages held by United States or state government agencies, loan-backed securities and similar investments to the extent the investments are reflected as assets under generally accepted accounting principles.

(e) Receipts from the lease or rental of real or tangible personal property, including both finance leases and true leases, must be attributed to this state if the property is located in this state. Tangible personal property that is characteristically moving property, such as motor vehicles, rolling stock,

aircraft, vessels, mobile equipment, and the like, is considered to be located in a state if:

- (1) the operation of the property is entirely within the state; or
- (2) the operation of the property is in two or more states, but the principal base of operations from which the property is sent out is in the state.

(f) Interest income and other receipts from assets in the nature of loans that are secured primarily by real estate or tangible personal property must be attributed to this state if the security property is located in this state under the principles stated in paragraph (e).

(g) Interest income and other receipts from consumer loans not secured by real or tangible personal property that are made to residents of this state, whether at a place of business, by traveling loan officer, by mail, by telephone or other electronic means, must be attributed to this state.

(h) Interest income and other receipts from commercial loans and installment obligations not secured by real or tangible personal property must be attributed to this state if the proceeds of the loan are to be applied in this state. If it cannot be determined where the funds are to be applied, the income and receipts are attributed to the state in which the business applied for the loan. *"Applied for" means initial inquiry (including customer assistance in preparing the loan application) or submission of a completed loan application, whichever occurs first there is located the office of the borrower from which the application would be made in the borrower from which the application would be made in the regular course of business. If this cannot be determined, the transaction is disregarded in the apportionment formula.*

(i) Interest income and other receipts from a participating financial institution's portion of participation loans must be attributed under paragraphs (e) to (h). A participation loan is a loan in which more than one lender is a creditor to a common borrower.

(j) Interest income and other receipts including service charges from financial institution credit card and travel and entertainment credit card receivables and credit card holders' fees must be attributed to the state to which the card charges and fees are regularly billed.

(k) Merchant discount income derived from financial institution credit card holder transactions with a merchant must be attributed to the state in which the merchant is located. In the case of merchants located within and outside the state, only receipts from merchant discounts attributable to sales made from locations within the state are attributed to this state. It is presumed, subject to rebuttal, that the location of a merchant is the address shown on the invoice submitted by the merchant to the taxpayer.

(l) Receipts from the performance of fiduciary and other services must be attributed to the state in which the benefits of the services are consumed. If the benefits are consumed in more than one state, the receipts from those benefits must be apportioned to this state pro rata according to the portion of the benefits consumed in this state. *If the extent to which the benefits of services are consumed in this state is not readily determinable, the benefits of the services shall be deemed to be consumed at the location of the office of the customer from which the services were ordered in the regular course of the customer's trade or business. If the ordering office cannot be determined, the benefits of the services shall be deemed to be*

consumed at the office of the customer to which the services are billed.

(m) Receipts from the issuance of travelers checks and money orders must be attributed to the state in which the checks and money orders are purchased.

(n) Receipts from investments of a financial institution in securities of this state, its political subdivisions, agencies, and instrumentalities must be attributed to this state.

(o) Receipts from a financial institution's interest in any property described in section 290.015, subdivision 3, paragraph (b), is not included in the numerator or the denominator of the receipts factor provided the financial institution's activities within this state with respect to any interest in such property are limited in the manner provided in section 290.015, subdivision 3, paragraph (b). If a financial institution is subject to tax under this chapter, its interest in property described in section 290.015, subdivision 3, paragraph (b), is included in the receipts factor in the same manner as assets in the nature of securities or money market instruments are included under paragraph (n) and section 290.191, subdivision 7.

Sec. 33. Minnesota Statutes 1987 Supplement, section 290.191, subdivision 11, is amended to read:

Subd. 11. [FINANCIAL INSTITUTIONS; PROPERTY FACTOR.] (a) For financial institutions, the property factor includes, as well as tangible property, intangible property as set forth in this subdivision.

(b) Intangible personal property must be included at its tax basis for federal income tax purposes.

(c) Goodwill must not be included in the property factor.

(d) Coin and currency located in this state must be attributed to this state.

(e) Lease financing receivables must be attributed to this state if and to the extent that the property is located within this state.

(f) Assets in the nature of loans that are secured by real or tangible personal property must be attributed to this state if and to the extent that the security property is located within this state.

(g) Assets in the nature of consumer loans and installment obligations that are unsecured or secured by intangible property must be attributed to this state if the loan was made to a resident of this state.

(h) Assets in the nature of commercial loan and installment obligations that are unsecured or secured by intangible property must be attributed to this state if the loan proceeds of the loan are to be applied in this state. If it cannot be determined where the funds are to be applied, the assets must be attributed to the state in which the business applied for the loan. ~~"Applied for"~~ ^{means initial inquiry (including customer assistance in preparing the loan application) or submission of a completed loan application, whichever occurs first} there is located the office of the borrower from which the application would be made in the regular course of business. If this cannot be determined, the transaction is disregarded in the apportionment formula.

(i) A participating financial institution's portion of a participation loan must be attributed under paragraphs (e) to (h).

(j) Financial institution credit card and travel and entertainment credit

card receivables must be attributed to the state to which the credit card charges and fees are regularly billed.

(k) Receivables arising from merchant discount income derived from financial institution credit card holder transactions with a merchant are attributed to the state in which the merchant is located. In the case of merchants located within and without the state, only receipts from merchant discounts attributable to sales made from locations within the state are attributed to this state. It is presumed, subject to rebuttal, that the location of a merchant is the address shown on the invoice submitted by the merchant to the taxpayer.

(l) Assets in the nature of securities and money market instruments are apportioned to this state based upon the ratio that total deposits from this state, its residents, its political subdivisions, agencies and instrumentalities bear to the total deposits from all states, their residents, their political subdivisions, agencies and instrumentalities. In the case of an unregulated financial institution subject to this regulation, the receipts assets are apportioned to this state based upon the ratio that its gross business income earned from sources within this state bears to gross business income earned from sources within all states. For purposes of this subsection, deposits made by this state, its residents, its political subdivisions, agencies, and instrumentalities are attributed to this state, whether or not the deposits are accepted or maintained by the taxpayer at locations within this state.

(m) A financial institution's interest in any property described in section 290.015, subdivision 3, paragraph (b), is not included in the numerator or the denominator of the property factor provided the financial institution's activities within this state with respect to any interest in such property are limited in the manner provided in section 290.015, subdivision 3, paragraph (b). If a financial institution is subject to tax under this chapter, its interest in property described in section 290.015, subdivision 3, paragraph (b), is included in the property factor in the same manner as assets in the nature of securities or money market instruments are included under clause (l).

Sec. 34. Minnesota Statutes 1987 Supplement, section 290.21, subdivision 3, is amended to read:

Subd. 3. An amount for contribution or gifts made within the taxable year:

(a) to or for the use of the state of Minnesota, or any of its political subdivisions for exclusively public purposes,

(b) to or for the use of any community chest, corporation, organization, trust, fund, association, or foundation located in and carrying on substantially all of its activities within this state, organized and operating exclusively for religious, charitable, public cemetery, scientific, literary, artistic, or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private stockholder or individual,

(c) to a fraternal society, order, or association, operating under the lodge system located in and carrying on substantially all of their activities within this state if such contributions or gifts are to be used exclusively for the purposes specified in clause (b), or for or to posts or organizations of war veterans or auxiliary units or societies of such posts or organizations, if they are within the state and no part of their net income inures to the benefit

of any private shareholder or individual,

(d) to or for the use of the United States of America for exclusively public purposes if the contribution or gift consists of real property located in Minnesota,

(e) *to or for the use of a foundation if the foundation is organized and operated exclusively for a purpose in clause (b), and has no part of its net earnings inuring to the benefit of a private shareholder or individual, but does not carry on substantially all of its activities within this state. The deduction under this clause equals the amount of the corporation's contributions or gifts to the foundation within the taxable year multiplied by a fraction equal to the ratio of the foundation's total expenditures during the taxable year for the benefit of organizations described in clause (b) to the foundation's total expenditures during the taxable year.*

(f) the total deduction hereunder shall not exceed 15 percent of the taxpayer's taxable net income less the deductions allowable under this section other than those for contributions or gifts,

(f) (g) in the case of a corporation reporting its taxable income on the accrual basis, if: (A) the board of directors authorizes a charitable contribution during any taxable year, and (B) payment of such contribution is made after the close of such taxable year and on or before the fifteenth day of the third month following the close of such taxable year; then the taxpayer may elect to treat such contribution as paid during such taxable year. The election may be made only at the time of the filing of the return for such taxable year, and shall be signified in such manner as the commissioner shall by rules prescribe.

Sec. 35. Minnesota Statutes 1987 Supplement, section 290.21, subdivision 4, is amended to read:

Subd. 4. (a) Eighty percent of dividends received by a corporation during the taxable year from another corporation, *in which the recipient owns 20 percent or more of the stock, by vote and value, not including stock described in section 1504(a)(4) of the Internal Revenue Code of 1986, as amended through December 31, 1987,* when the corporate stock with respect to which dividends are paid does not constitute the stock in trade of the taxpayer or would not be included in the inventory of the taxpayer, or does not constitute property held by the taxpayer primarily for sale to customers in the ordinary course of the taxpayer's trade or business, or when the trade or business of the taxpayer does not consist principally of the holding of the stocks and the collection of the income and gains therefrom. ~~The remaining 20 percent shall be allowed if the recipient owns 80 percent or more of all the voting stock of the other corporation and the dividends were paid from income arising out of business done in this state by the corporation paying the dividends. If the dividends were declared from income arising out of business done within and without this state, then a proportion of the remainder shall be allowed as a deduction. The proportion must be that which the amount of the taxable net income of the corporation paying the dividends assignable or allocable to this state bears to the entire net income of the corporation. The amounts must be determined by the returns under this chapter of the corporation paying the dividends for the taxable year preceding their distribution. The burden is on the taxpayer to show that the amount of remainder claimed as a deduction has been received from income arising out of business done in this state.~~

(b) If the trade or business of the taxpayer consists principally of the holding of the stocks and the collection of the income and gains therefrom, dividends received by a corporation during the taxable year from another corporation, if the recipient owns 80 percent or more of all the voting stock of the other corporation, from income arising out of business done in this state by the corporation paying the dividends. If the dividends were declared from income arising out of business done within and without this state, then a proportion of the dividends shall be allowed as a deduction. The proportion must be that which the amount of the taxable net income of the corporation paying the dividends assignable or allocable to this state bears to the entire net income of the corporation. The amounts must be determined by the returns under this chapter of the corporation paying the dividends for the taxable year preceding their distribution. The burden is on the taxpayer to show that the amount of dividends claimed as a deduction has been received from income arising out of business done in this state.

(b) Seventy percent of dividends received by a corporation during the taxable year from another corporation in which the recipient owns less than 20 percent of the stock, by vote or value, not including stock described in section 1504(a)(4) of the Internal Revenue Code of 1986 as amended through December 31, 1987, when the corporate stock with respect to which dividends are paid does not constitute the stock in trade of the taxpayer, or does not constitute property held by the taxpayer primarily for sale to customers in the ordinary course of the taxpayer's trade or business, or when the trade or business of the taxpayer does not consist principally of the holding of the stocks and the collection of income and gain therefrom.

(c) The dividend deduction provided in this subdivision shall be allowed only with respect to dividends that are included in a corporation's Minnesota taxable net income for the taxable year.

The dividend deduction provided in this subdivision does not apply to a dividend from a corporation which, for the taxable year of the corporation in which the distribution is made or for the next preceding taxable year of the corporation, is a corporation exempt from tax under section 501 of the Internal Revenue Code of 1986, as amended through December 31, 1986.

The dividend deduction provided in this subdivision applies to the amount of regulated investment company dividends only to the extent determined under section 854(b) of the Internal Revenue Code of 1986, as amended through December 31, 1986.

The dividend deduction provided in this subdivision shall not be allowed with respect to any dividend for which a deduction is not allowed under the provisions of section 246(c) of the Internal Revenue Code of 1986, as amended through December 31, 1986.

(d) If dividends received by a corporation that does not have nexus with Minnesota under the provisions of Public Law Number 86-272 are included as income on the return of an affiliated corporation permitted or required to file a combined report under section 290.34, subdivision 2, then for purposes of this subdivision the determination as to whether the trade or business of the corporation consists principally of the holding of stocks and the collection of income and gains therefrom shall be made with reference to the trade or business of the affiliated corporation having a nexus with Minnesota.

(e) The deduction provided by this subdivision does not apply if the dividends are paid by a FSC as defined in section 922 of the Internal Revenue Code of 1986, as amended through December 31, 1986.

(f) *If one or more of the members of the unitary group whose income is included on the combined report received a dividend, the deduction under this section for each member of the unitary business required to file a return under this chapter is the product of: (1) 100 percent of the dividends received by members of the group; (2) 80 percent or 70 percent, pursuant to paragraphs (a) or (b) of this subdivision; and (3) the percentage of the taxpayer's business income apportionable to this state for the taxable year under sections 290.191 or 290.20.*

Sec. 36. Minnesota Statutes 1987 Supplement, section 290.34, subdivision 2, is amended to read:

Subd. 2. [AFFILIATED OR RELATED CORPORATIONS, COMBINED REPORT.] (a) When a corporation which is required to file an income tax return is affiliated with or related to any other corporation through stock ownership by the same interests or as parent or subsidiary corporations, or has its income regulated through contract or other arrangement, the commissioner of revenue may permit or require such combined report as, in the commissioner's opinion, is necessary in order to determine the taxable net income of any one of the affiliated or related corporations.

(b) ~~If a corporation has been divested from the unitary group and is included in a combined report for a fractional part of the common accounting period that the report is based on, then the sales, property, and payroll attributed to the corporation in the apportionment formula must be prorated or separately accounted and must show for what part of the accounting period the corporation is included in the report.~~

(c) ~~The combined report shall reflect the income of the entire unitary business as provided in section 290.17, subdivision 4. If a corporation has been divested from the unitary group and is included in the combined report for a fractional part of the common accounting period that the combined report is based on, its income includable in the combined report is its income for that part of the year.~~

Sec. 37. Minnesota Statutes 1987 Supplement, section 290.35, subdivision 2, is amended to read:

Subd. 2. [APPORTIONMENT OF TAXABLE NET INCOME.] The commissioner shall compute therefrom the taxable net income of such companies by assigning to this state that proportion thereof which the gross premiums collected by them during the taxable year from old and new business within this state bears to the total gross premiums collected by them during that year from their entire old and new business, including reinsurance premiums; provided, the commissioner shall add to the taxable net income so apportioned to this state the amount of any taxes on premiums paid by the company by virtue of any law of this state (other than the surcharge on premiums imposed by sections 69.54 to 69.56) which shall have been deducted from gross income by the company in arriving at its total net income under the provisions of such act of congress.

(a) For purposes of determining the Minnesota apportionment percentage, premiums from reinsurance contracts ~~assumed from companies domiciled in Minnesota and premiums~~ in connection with property in or liability arising out of activity in, or in connection with the lives or health of

Minnesota residents shall be assigned to Minnesota and premiums from reinsurance contracts assumed from companies domiciled outside of Minnesota and premiums in connection with property in or liability arising out of activity in, or in connection with the lives or health of non-Minnesota residents shall be assigned outside of Minnesota. *Reinsurance premiums are presumed to be received for a Minnesota risk and are assigned to Minnesota, if:*

(1) *the reinsurance contract is assumed for a company domiciled in Minnesota; and*

(2) *the taxpayer, upon request of the commissioner, fails to provide reliable records indicating the reinsured contract covered non-Minnesota risks. For purposes of this paragraph, "Minnesota risk" means coverage in connection with property in or liability arising out of activity in Minnesota, or in connection with the lives or health of Minnesota residents.*

(b) The apportionment method prescribed by paragraph (a) shall be presumed to fairly and correctly determine the taxpayer's taxable net income. If the method prescribed in paragraph (a) does not fairly reflect all or any part of taxable net income, the taxpayer may petition for or the commissioner may require the determination of taxable net income by use of another method if that method fairly reflects taxable net income. A petition within the meaning of this section must be filed by the taxpayer on such form as the commissioner shall require.

Sec. 38. Minnesota Statutes 1987 Supplement, section 290.37, subdivision 1, is amended to read:

Subdivision 1. [PERSONS MAKING RETURNS.] (a) A taxpayer shall file a return for each taxable year the taxpayer is required to file a return under section 6012 of the Internal Revenue Code of 1986, as amended through December 31, 1986, except that an individual who is not a Minnesota resident for any part of the year is not required to file a Minnesota income tax return if the individual's gross income derived from Minnesota sources under sections 290.081, paragraph (a), and 290.17, is less than the filing requirements for a single individual who is a full year resident of Minnesota.

The decedent's final income tax return, and all other income tax returns for prior years where the decedent had gross income in excess of the minimum amount at which an individual is required to file and did not file, shall be filed by the decedent's personal representative, if any. If there is no personal representative, the return or returns shall be filed by the transferees as defined in section 290.29, subdivision 3, who receive any property of the decedent.

The trustee or other fiduciary of property held in trust shall file a return with respect to the taxable net income of such trust if that exceeds an amount determined by the commissioner if such trust belongs to the class of taxable persons.

Every corporation shall file a return, if the corporation is subject to the state's jurisdiction to tax under section 290.014, subdivision 5, *except that a foreign operating corporation as defined in section 290.01, subdivision 6b, is not required to file a return.* The return in the case of a corporation

must be signed by a person designated by the corporation. The commissioner may adopt rules for the filing of one return on behalf of the members of an affiliated group of corporations that are required to file a combined report if the affiliated group includes a bank subject to tax under this chapter. Members of an affiliated group that elect to file one return on behalf of the members of the group under rules adopted by the commissioner may modify or rescind the election by filing the form required by the commissioner.

The receivers, trustees in bankruptcy, or assignees operating the business or property of a taxpayer shall file a return with respect to the taxable net income of such taxpayer if a return is required.

(b) Such return shall (1) contain a written declaration that it is correct and complete, and (2) shall contain language prescribed by the commissioner providing a confession of judgment for the amount of the tax shown due thereon to the extent not timely paid.

Sec. 39. Minnesota Statutes 1987 Supplement, section 290.371, subdivision 1, is amended to read:

Subdivision 1. [REPORT REQUIRED.] Every corporation that, during any calendar year or fiscal accounting year ~~ending~~ *beginning* after December 31, 1986, ~~carried on any activity or owned or maintained any property in this state, unless specifically exempted under subdivision 3 obtained any business from within this state as described in section 290.015, subdivision 1, with the exception of:~~

(1) *activity levels lower than those set forth in section 290.015, subdivision 2, paragraph (b); or*

(2) *activities described in section 290.015, subdivision 3, paragraph (b); or*

(3) *corporations specifically exempted under subdivision 3 of this section, must file a notice of business activities report, as provided in this section. Filing of the report is not a factor in determining whether a corporation is subject to taxation under this chapter.*

Sec. 40. Minnesota Statutes 1987 Supplement, section 290.371, subdivision 3, is amended to read:

Subd. 3. [EXEMPTIONS.] A corporation is not required to file a notice of business activities report if:

(1) by the end of an accounting period for which it was otherwise required to file a notice of business activities report under this section, it had received a certificate of authority to do business in this state;

(2) a timely return or report has been filed under section 290.05, subdivision 4; or 290.37; or

(3) the corporation is exempt from taxation under this chapter pursuant to section 290.05, subdivision 1, *or*

(4) *the corporation's activities in Minnesota, or the interests in property which it owns, consist solely of activities or property exempted from jurisdiction to tax under section 290.015, subdivision 3, paragraph (b).*

Sec. 41. Minnesota Statutes 1987 Supplement, section 290.371, subdivision 4, is amended to read:

Subd. 4. [ANNUAL FILING.] Every corporation not exempt under subdivision 3 must file annually a notice of business activities report, including such forms as the commissioner may require, with respect to ~~all or any part~~ of each of its calendar or fiscal accounting years beginning after December 31, 1986, on or before the 15th day of the fourth month after the close of the calendar or fiscal accounting year.

Sec. 42. Minnesota Statutes 1987 Supplement, section 290.371, subdivision 5, is amended to read:

Subd. 5. [FAILURE TO FILE TIMELY REPORT.] (a) Any corporation required to file a notice of business activities report does not have any cause of action upon which it may bring suit under Minnesota law unless the corporation has filed a notice of business activities report.

(b) The failure of a corporation to file a timely report prevents the use of the courts in this state, *except regarding activities described in subdivision 3, clause (4)*, for all contracts executed and all causes of action that arose at any time before the end of the last accounting period for which the corporation failed to file a required report.

(c) The court in which the issues arise has the power to excuse the corporation for its failure to file a report when due, and restore the corporation's cause of action under the laws of this state, if the corporation has paid all taxes, interest, and civil penalties due the state for all periods, or provided for payment of them by adequate security or bond approved by the commissioner.

(d) Notwithstanding the provisions of section 290.61, the commissioner may acknowledge whether or not a particular corporation has filed with the commissioner reports or returns required by this chapter if the acknowledgement:

(1) is to a party in a civil action;

(2) relates to the filing status of another party in the same civil action; and

(3) is in response to a written request accompanied by a copy of the summons and complaint in the civil action.

Sec. 43. Minnesota Statutes 1986, section 290.50, subdivision 3, is amended to read:

Subd. 3. [EXCEPTIONS.] This section shall not be construed so as to disallow:

(a) a net operating loss carryback to any taxable year authorized by section 290.095 or section 172 of the Internal Revenue Code of 1954, as amended through December 31, 1985, but the refund or credit shall be limited to the amount of overpayment arising from the carryback;

(b) a capital loss carryback by a corporation under *Minnesota Statutes 1986*, section 290.16, provided that the claim for refund or credit is made prior to the expiration of the 15th day of the 45th month following the end of the taxable year of the net capital loss which results in the carryback, plus any extension of time granted for filing the return, but only if the return was filed within the extended time, and the refund or credit is limited to the amount of overpayment arising from the carryback.

Sec. 44. Minnesota Statutes 1987 Supplement, section 290.9725, is

amended to read:

290.9725 [ELECTION BY SMALL BUSINESS CORPORATION S CORPORATIONS.]

For purposes of this chapter, the term "S corporation" means any corporation having a valid election in effect for the taxable year under section 1362 of the Internal Revenue Code of 1986, as amended through December 31, 1986, 1987. An S corporation shall not be subject to the taxes imposed by this chapter, except:

(1) the corporation is subject to the tax imposed under section 290.92; and

(2) the corporation is subject to the tax imposed under section 290.02 in any tax period in which it recognizes income for federal income tax purposes under Internal Revenue Code, section 1363(d), 1374, or 1375; the total amount of income recognized is the federal taxable income for the corporation within the meaning of section 290.01, subdivision 19; the provisions of sections 290.01, subdivisions 19a to 19f, and 290.17 to 290.20, must be employed to determine the taxable net income of the corporation; and the taxable net income of the corporation is its taxable income, except that any net operating loss carryforward that arose in a year when there was no election in effect under Section 1362 of the Internal Revenue Code is allowed as a deduction the taxes imposed under sections 290.92, 290.9727, 290.9728, and 290.9729.

Sec. 45. [290.9727] [TAX ON CERTAIN BUILT-IN GAINS.]

Subdivision 1. [TAX IMPOSED.] For a corporation electing S corporation status pursuant to section 1362 of the Internal Revenue Code of 1986, as amended through December 31, 1987, after December 31, 1986, and having a recognized built-in gain as defined in section 1374 of the Internal Revenue Code of 1986, as amended through December 31, 1987, there is imposed a tax on the taxable income of such S corporation, as defined in this section, at the rate prescribed by section 290.06, subdivision 1. This section does not apply to any corporation having an S election in effect for each of its taxable years. An S corporation and any predecessor corporation must be treated as one corporation for purposes of the preceding sentence.

Subd. 2. [TAXABLE INCOME.] For purposes of this section, taxable income means taxable net income less the deduction for net operating loss carryforwards as provided by this section.

Subd. 3. [TAXABLE NET INCOME.] For purposes of this section, taxable net income means the lesser of:

(1) the recognized built-in gains of the S corporation for the taxable year, as determined under section 1374 of the Internal Revenue Code of 1986, as amended through December 31, 1987, subject to the modifications provided in section 290.01, subdivisions 19e and 19f, that are allocable to this state under section 290.17, 290.191, or 290.20; or

(2) the amount of the S corporation's federal taxable income, as determined under section 1374(d)(4) of the Internal Revenue Code of 1986, as amended through December 31, 1987, subject to the provisions of section 290.01, subdivisions 19c to 19f, that is allocable to this state under section 290.17, 290.191, or 290.20, less the deduction for charitable contributions in section 290.21, subdivision 3.

Subd. 4. [NET OPERATING LOSS CARRYFORWARD.] A net operating loss carryforward, as determined under section 290.095, arising in a taxable year before the corporation elected S corporation status, shall be allowed as a deduction against the lesser of the amounts referred to in subdivision 3, clauses (1) and (2). For purposes of determining the amount of any such loss that may be carried to later taxable years, the lesser of the amounts referred to in subdivision 3, clauses (1) and (2) shall be treated as taxable income.

Sec. 46. [290.9728] [TAX ON CAPITAL GAINS.]

Subdivision 1. [TAX IMPOSED.] There is imposed a tax on the taxable income of a corporation that has:

(1) elected S corporation status pursuant to section 1362 of the Internal Revenue Code of 1954, as amended through December 31, 1987, before January 1, 1987;

(2) a net capital gain for the taxable year (1) in excess of \$25,000 and (2) exceeding 50 percent of the corporation's federal taxable income for the taxable year; and

(3) federal taxable income for the taxable year exceeding \$25,000.

The tax is imposed at the rate prescribed by section 290.06, subdivision 1. For purposes of this section, "federal taxable income" means federal taxable income determined under section 1374(4)(d) of the Internal Revenue Code of 1954, as amended through December 31, 1987. This section does not apply to an S corporation which has had an election under section 1362 of the Internal Revenue Code of 1954, as amended through December 31, 1987, in effect for the three immediately preceding taxable years. This section does not apply to an S corporation that has been in existence for less than four taxable years and has had an election in effect under section 1362 of the Internal Revenue Code of 1954, as amended through December 31, 1987, for each of the corporation's taxable years. For purposes of this section, an S corporation and any predecessor corporation are treated as one corporation.

Subd. 2. [TAXABLE INCOME.] For purposes of this section, taxable income means the lesser of:

(1) the amount of the net capital gain of the S corporation for the taxable year, as determined under sections 1222 and 1374 of the Internal Revenue Code of 1954, as amended through December 31, 1987, and subject to the modifications provided in section 290.01, subdivisions 19e and 19f, in excess of \$25,000 that is allocable to this state under section 290.17, 290.191, or 290.20; or

(2) the amount of the S corporation's federal taxable income, subject to the provisions of section 290.01, subdivisions 19c to 19f, that is allocable to this state under section 290.17, 290.191, or 290.20, less the deduction for charitable contributions in section 290.21, subdivision 3.

Sec. 47. [290.9729] [TAX ON PASSIVE INVESTMENT INCOME.]

Subdivision 1. [TAX IMPOSED.] There is imposed a tax for the taxable year on the taxable income of an S corporation, if for the taxable year an S corporation has:

(1) subchapter C earnings and profits at the close of such taxable year; and

(2) gross receipts more than 25 percent of which are passive investment income.

The tax is imposed at the rate prescribed by section 290.06, subdivision 1. The terms "subchapter C earnings and profits," "passive investment income," and "gross receipts" have the same meanings as when used in sections 1362(d)(3) and 1375 of the Internal Revenue Code of 1986, as amended through December 31, 1987.

Subd. 2. [TAXABLE INCOME.] For the purposes of this section, taxable income means the lesser of:

(1) the amount of the S corporation's excess net passive income, as determined under section 1375 of the Internal Revenue Code of 1986, as amended through December 31, 1986, subject to the provisions of section 290.01, subdivisions 19c to 19f, that is allocable to this state under section 290.17, 290.191, or 290.20; or

(2) the amount of the S corporation's federal taxable income, as determined under section 1374(d)(4) of the Internal Revenue Code of 1986, as amended through December 31, 1987, subject to the provisions of section 290.01, subdivisions 19c to 19f, that is allocable to this state under section 290.17, 290.191, or 290.20, less the deduction for charitable contributions in section 290.21, subdivision 3.

Subd. 3. [WAIVER OF TAX.] The tax imposed by this section shall be waived if the taxpayer receives a waiver for federal income tax purposes under section 1375(d) of the Internal Revenue Code of 1986, as amended through December 31, 1987.

Sec. 48. Minnesota Statutes 1987 Supplement, section 298.01, subdivision 3, is amended to read:

Subd. 3. [OCCUPATION TAX; OTHER ORES.] Every person engaged in the business of mining or producing ores, except iron ore or taconite concentrates, shall pay an occupation tax to the state of Minnesota as provided in this subdivision. The tax is measured by the person's taxable income for the year for which the tax is imposed, and computed in the manner and at the rates provided in chapter 290, except that ~~section~~ sections 290.01, subdivision 19c, clause (11), 290.01, subdivision 19d, clause (7), and 290.05, subdivision 1, clause (a), ~~does~~ do not apply. Corporations and individuals shall be subject to the alternative minimum taxes imposed under chapter 290. The tax is in addition to all other taxes and is due and payable on or before June 15 of the year succeeding the calendar year covered by the report required by section 298.05.

Sec. 49. Minnesota Statutes 1987 Supplement, section 298.01 subdivision 4, is amended to read:

Subd. 4. [OCCUPATION TAX; IRON ORE; TACONITE CONCENTRATES.] A person engaged in the business of mining or producing of iron ore or taconite concentrates shall pay an occupation tax to the state of Minnesota. The tax is measured by the person's taxable income for the year for which the tax is imposed, and computed in the manner and at the rates provided for in chapter 290, except that ~~section~~ sections 290.01, subdivision 19c, clause (11), 290.01, subdivision 19d, clause (7), and 290.05, subdivision 1, clause (a), ~~does~~ do not apply. Corporations and individuals shall be subject to the alternative minimum taxes imposed under chapter 290. The tax is in addition to all other taxes and is due and payable

on or before June 15 of the year succeeding the calendar year covered by the report required by section 298.05.

Sec. 50. [298.402] [NET OPERATING LOSSES.]

For purposes of the computation under section 298.40, subdivision 1, clause (b), a net operating loss incurred in a taxable year beginning after December 31, 1986, is a net operating loss carryover to each of the 15 taxable years following the taxable year of the loss, in accordance with section 290.095. A net operating loss incurred in a taxable year beginning after December 31, 1981, and before January 1, 1987, is a net operating loss carryover to taxable years beginning after December 31, 1986, not to exceed the five taxable years following the taxable year of the loss, in accordance with section 290.095. No net operating loss carryback is allowed for a net operating loss incurred in a taxable year beginning after December 31, 1986.

Sec. 51. Minnesota Statutes 1987 Supplement, section 299.01, subdivision 1, is amended to read:

Subdivision 1. There shall be levied and collected upon all royalty received during each calendar year for permission to explore, mine, take out and remove *iron ore or taconites* from land in this state, a tax of 15 percent before January 1, 1986, a tax of 14.5 percent after December 31, 1985, and before January 1, 1987, and a tax of 14 percent after December 31, 1986.

Sec. 52. Minnesota Statutes 1986, section 303.03, is amended to read:

303.03 [FOREIGN CORPORATIONS MUST HAVE CERTIFICATE OF AUTHORITY.]

No foreign corporation shall transact business in this state unless it holds a certificate of authority so to do; and no foreign corporation whose certificate of authority has been revoked or canceled pursuant to the provisions of this chapter shall be entitled to obtain a certificate of authority except in accordance with the provisions of section 303.19. *This section does not establish standards for those activities that may subject a foreign corporation to taxation under section 290.015 and to the reporting requirements of section 290.371.* Without excluding other activities which may not constitute transacting business in this state, and subject to the provisions of sections 303.13 and 543.19, a foreign corporation shall not be considered to be transacting business in this state for the purposes of this chapter solely by reason of carrying on in this state any one or more of the following activities:

(a) Maintaining or defending any action or suit or any administrative or arbitration proceeding, or effecting the settlement thereof or the settlement of claims or disputes;

(b) Holding meetings of its directors or shareholders or carrying on other activities concerning its internal affairs;

(c) Maintaining bank accounts;

(d) Maintaining offices or agencies for the transfer, exchange and registration of its securities, or appointing and maintaining trustees or depositaries with relation to its securities;

(e) Holding title to and managing real or personal property, or any interest therein, situated in this state, as executor of the will or administrator of

the estate of any decedent, as trustee of any trust, or as guardian or conservator of the person or estate, or both, of any person;

(f) Making, participating in, or investing in loans or creating, as borrower or lender, or otherwise acquiring indebtedness or mortgages or other security interests in real or personal property;

(g) Securing or collecting its debts or enforcing any rights in property securing them; or

(h) Conducting an isolated transaction completed within a period of 30 days and not in the course of a number of repeated transactions of like nature.

Sec. 53. [REPEALER.]

(a) *Minnesota Statutes 1986, section 298.401, is repealed.*

(b) *Minnesota Statutes 1986, section 299.013, is repealed.*

(c) *Minnesota Statutes 1987 Supplement, section 290.21, subdivision 8 is repealed.*

(d) *Minnesota Statutes 1987 Supplement, section 290.371, subdivision 2, is repealed.*

Sec. 54. [EFFECTIVE DATE.]

Sections 1, 5, and 6 are effective January 1, 1988. Sections 8, 9, 10, 12, clause (13), 29, 31, and 37 are effective for taxable years beginning after April 30, 1989. Sections 13, clause (11), 24, and 53, paragraph (c), are effective for taxable years beginning after June 30, 1988. Sections 2, 3, 4, 30, 35, and 36 are effective for taxable years beginning after December 31, 1987. Section 28 is effective for taxable years beginning after December 31, 1987, except that the part relating to foreign operating corporations is effective for taxable years beginning after April 30, 1989.

Sections 11, 12, clauses (2) and (3), 13, except for clause (11), 14 to 20, 22, 23, 27, 32, 33, 39 to 47, 52, and 53, paragraph (d), are effective for taxable years beginning after December 31, 1986. Section 21 is effective for taxable years beginning after December 31, 1986, except that the part relating to the apportionment of the exemption amount among members of a unitary group is effective for taxable years beginning after December 31, 1987. Section 25 is effective for taxable years beginning after December 31, 1986, except that the part relating to the allowance of a net operating loss for any taxable year to the extent of the apportionment ratio of the loss year is effective for taxable years beginning after December 31, 1987. Section 26 is effective for losses incurred in taxable years beginning after December 31, 1987, and is repealed effective for taxable years beginning after December 31, 1993. Sections 48 and 49 are effective for ores mined after December 31, 1989. Section 50 is effective for ores mined after December 31, 1986, and before January 1, 1990. Section 53, paragraph (a), is effective for ores mined after December 31, 1989. Section 53, paragraph (b), is effective for ores mined after December 31, 1986, and supersedes the repealer in Laws 1987, chapter 268, article 9, section 43.

ARTICLE 3
FEDERAL UPDATE

Section 1. Minnesota Statutes 1987 Supplement, section 290.01, subdivision 4, is amended to read:

Subd. 4. [CORPORATIONS.] The term "corporation" shall include every entity which is a corporation under section 7701(a)(3) *or is treated as a corporation under section 851(q) or 7704* of the Internal Revenue Code of 1986, as amended through December 31, ~~1986~~ 1987, and financial institutions. A corporation's franchise is its authorization to exist and conduct business, whether created by legislation, by executive order, by a governmental agency, by contract or other private action, or by some combination thereof. Every corporation is deemed to have a corporate franchise. An entity described in section 646(b) of the Tax Reform Act of 1986, Public Law Number 99-514, shall be classified in the same manner for purposes of this chapter as it is for federal income tax purposes.

Sec. 2. Minnesota Statutes 1987 Supplement, section 290.01, subdivision 19, is amended to read:

Subd. 19. [NET INCOME.] The term "net income" means the federal taxable income, as defined in section 63 of the Internal Revenue Code of 1986, as amended through the date named in this subdivision, incorporating any elections made by the taxpayer in accordance with the Internal Revenue Code in determining federal taxable income for federal income tax purposes, and with the modifications provided in subdivisions 19a to 19f.

The Internal Revenue Code of 1986, as amended through December 31, 1986, shall be in effect for taxable years beginning after December 31, 1986. *The provisions of sections 10104, 10202, 10203, 10204, 10206, 10212, 10221, 10222, 10223, 10226, 10227, 10228, 10611, 10631, 10632, and 10711 of the Budget Reconciliation Act of 1987, Public Law Number 100-203, shall be effective at the time they become effective for federal income tax purposes.*

The Internal Revenue Code of 1986, as amended through December 31, 1987, shall be in effect for taxable years beginning after December 31, 1987.

Except as otherwise provided, references to the Internal Revenue Code in subdivisions 19a to 19f mean the code in effect for purposes of determining net income for the applicable year.

Sec. 3. Minnesota Statutes 1987 Supplement, section 290.01, subdivision 20, is amended to read:

Subd. 20. [GROSS INCOME.] ~~For tax years beginning after December 31, 1986,~~ The term "gross income" means the gross income as defined in section 61 of the Internal Revenue Code of 1986, as amended through the date named in subdivision 19 for the applicable taxable year, plus any additional items of income taxable under this chapter but not taxable under the Internal Revenue Code, less any items included in federal gross income but of a character exempt from state income tax under the laws of the United States. ~~For tax years beginning before January 1, 1987, except as otherwise provided in this chapter, the term "gross income," as applied to corporations includes every kind of compensation for labor or personal services of every kind from any private or public employment, office, position or services; income derived from the ownership or use of property;~~

gains or profits derived from every kind of disposition of, or every kind of dealing in, property; income derived from the transaction of any trade or business; and income derived from any source.

For tax years beginning before January 1, 1987, the term "gross income" in its application to individuals, estates, and trusts shall mean the adjusted gross income as defined in the Internal Revenue Code of 1954, as amended through the date specified herein for the applicable taxable year, with the modifications specified in this subdivision and in Minnesota Statutes 1986, section 290.01, subdivisions 20a to 20f. For estates and trusts the adjusted gross income for purposes of the preceding sentence shall be their federal taxable income as defined in the Internal Revenue Code of 1954, as amended through the date specified herein for the applicable taxable year, with the modifications specified in this subdivision and in Minnesota Statutes 1986, section 290.01, subdivisions 20a to 20f.

(i) The Internal Revenue Code of 1954, as amended through December 31, 1981, shall be in effect for taxable years beginning after December 31, 1981. The provisions of sections 205(a), 214 to 222, 231, 232, 236, 247, 251, 252, 253, 265, 266, 285, 288, and 335 of the Tax Equity and Fiscal Responsibility Act of 1982, Public Law Number 97-248; section 6(b)(2) and (3) of the Subchapter S Revision Act of 1982, Public Law Number 97-354; section 517 of Public Law Number 97-424; sections 101(e) and (d), 102(a), (aa), (f)(4), (g), (j), (l), 103(e), 104(b)(3), 105, 305(d), 306(a)(9) of Public Law Number 97-448; sections 101 and 102 of Public Law Number 97-473; and section 243 of the Tax Reform Act of 1986, Public Law Number 99-514, shall be effective at the same time that they become effective for federal income tax purposes. The Payment in Kind Tax Treatment Act of 1983, Public Law Number 98-4, shall be effective at the same time that it becomes effective for federal income tax purposes.

(ii) The Internal Revenue Code of 1954, as amended through January 15, 1983, shall be in effect for taxable years beginning after December 31, 1982. The provisions of sections 905, 1708, and 1879(m) of the Tax Reform Act of 1986, Public Law Number 99-514, shall be effective at the same time that they become effective for federal income tax purposes.

(iii) The Internal Revenue Code of 1954, as amended through December 31, 1983, shall be in effect for taxable years beginning after December 31, 1983. The provisions of sections 13, 17, 25(b), 31, 32, 41 to 43, 52, 55, 56, 71 to 74, 77, 81, 82, 91, 92, 94, 101 to 103, 105 to 108, 111 to 113, 147(e), 171, 172, 174, 175, 179(a), 221, 223, 224, 421(b), 432, 481, 491, 512, 522 to 524, 554 to 557, 561, 611(a), 621 to 623, 626 to 628, 711(e), 712(d), 713(b), (e), (g), and (h), 721(a), (b), (d), (g), (i), (o), (p), (r), (t), and (w), 722(e), 1001, 1026, 1061 to 1064, 1066, 1076, 1078, and 2638(b) of the Deficit Reduction Act of 1984, Public Law Number 98-369; section 4 of Public Law Number 98-611; and sections 1801, 1802, 1805 to 1809, 1812, 1842, 1853 to 1855, 1866, 1869 to 1873, 1875, and 1878(g) and (h) of the Tax Reform Act of 1986, Public Law Number 99-514, shall be effective at the same time that they become effective for federal income tax purposes.

(iv) The Internal Revenue Code of 1954, as amended through May 25, 1985, shall be in effect for taxable years beginning after December 31, 1984. The provisions of sections 101, 102, 103, 201, and 202 of Public Law Number 99-121 and sections 402, 403, 1803, 1804, 1852, and 1861 of the Tax Reform Act of 1986, Public Law Number 99-514, shall be

effective at the same time that they become effective for federal income tax purposes.

(v) The Internal Revenue Code of 1954, as amended through December 31, 1985, shall be in effect for taxable years beginning after December 31, 1985.

The provisions of sections 121 to 123, 201, 202, 241, 401, 405, 411 to 413, 653, 654, 804, 811, 822, 1001, 1003, 1122, 1162, 1164, 1166, 1301, 1401, 1402, 1707, 1826, 1827, 1843, 1867, 1868, 1879(f), and 1895 of the Tax Reform Act of 1986, Public Law Number 99-514, shall be effective at the same time that they become effective for federal income tax purposes.

References to the Internal Revenue Code of 1954 in subdivisions 20a, 20b, 20c, and 20f mean the code in effect for the purpose of defining gross income for the applicable taxable year.

Sec. 4. Minnesota Statutes 1987 Supplement, section 290.095, subdivision 3, is amended to read:

Subd. 3. [CARRYOVER.] (a) A net operating loss for any taxable year shall be a net operating loss carryover to each of the 15 taxable years following the taxable year of such loss.

(b) The entire amount of the net operating loss for any taxable year shall be carried to the earliest of the taxable years to which such loss may be carried. The portion of such loss which shall be carried to each of the other taxable years shall be the excess, if any, of the amount of such loss over the sum of the taxable net income, adjusted by the modifications specified in subdivision 4, for each of the taxable years to which such loss may be carried.

(c) Where a corporation does business both within and without Minnesota, and apportions its income under the provisions of section 290.191, the net operating loss deduction shall be allowed to the extent of the apportionment ratio of the loss year.

(d) No additional net operating loss deduction is allowed in a subsequent taxable year for the portion of a net operating loss deduction used to offset Minnesota income in a year in which the taxpayer is subject to the alternative minimum tax in section 290.092.

(e) The provisions of sections 381, 382, and 384 of the Internal Revenue Code of 1986, as amended through December 31, 1987, applies to carryovers in certain corporate acquisitions and special limitations on net operating loss carryovers.

Sec. 5. Minnesota Statutes 1986, section 290.931, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENTS OF DECLARATION.] Every corporation subject to taxation under this chapter (excluding section 290.92) shall make a declaration of estimated tax for the taxable year if its tax liability so computed can reasonably be expected to exceed \$1,000 \$500, or in accordance with rules prescribed by the commissioner for an affiliated group of corporations electing to file one return as permitted by rules prescribed under section 290.37, subdivision 1.

Sec. 6. Minnesota Statutes 1986, section 290.934, subdivision 1, is amended to read:

Subdivision 1. [ADDITION TO THE TAX.] In case of any underpayment of estimated tax by a corporation, ~~except as provided in subdivision 4,~~ there shall be added to the tax for the taxable year an amount determined at the rate specified in section 270.75 upon the amount of the underpayment (determined under subdivision 2) for the period of the underpayment (determined under subdivision 3).

Sec. 7. Minnesota Statutes 1987 Supplement, section 290.934, subdivision 2, is amended to read:

Subd. 2. [AMOUNT OF UNDERPAYMENT.] For purposes of subdivision 1, the amount of the underpayment shall be the excess of

(1) ~~the amount of tax shown on the return for the tax year or, if no return is filed, the tax for the tax year~~ *required installment*, over

(2) the amount, if any, of the installment paid on or before the last date prescribed for payment.

Sec. 8. Minnesota Statutes 1986, section 290.934, subdivision 3, is amended to read:

Subd. 3. [PERIOD OF UNDERPAYMENT.] The period of the underpayment shall run from the date the installment was required to be paid to whichever of the following dates is the earlier

(1) The 15th day of the third month following the close of the taxable year.

(2) With respect to any portion of the underpayment, the date on which such portion is paid. For purposes of this paragraph, a payment of estimated tax ~~on any installment date shall be considered a payment of any previous underpayment only to the extent such payment exceeds the amount of the installment determined under subdivision 2(1) for such installment date credited against unpaid required installments in the order in which such installments are required to be paid.~~

Sec. 9. Minnesota Statutes 1986, section 290.934, is amended by adding a subdivision to read:

Subd. 3a. [REQUIRED INSTALLMENTS.] *(1) Except as otherwise provided in this subdivision, the amount of a required installment is 25 percent of the required annual payment.*

(2) Except as otherwise provided in this subdivision, the term "required annual payment" means the lesser of:

(a) 90 percent of the tax shown on the return for the taxable year, or if no return is filed 90 percent of the tax for such year; or

(b) 100 percent of the tax shown on the return of the corporation for the preceding taxable year providing such return was for a full 12-month period, did show a liability, and was filed by the corporation.

(3) Except for determining the first required installment for any taxable year, paragraph (2), clause (b) does not apply in the case of a large corporation. The term "large corporation" means a corporation or any predecessor corporation that had taxable net income of \$1,000,000 or more for any taxable year during the testing period. The term "testing period" means the three taxable years immediately preceding the taxable year involved. A reduction allowed to a large corporation for the first installment that is allowed by applying paragraph (2), clause (b) must be

recaptured by increasing the next required installment by the amount of the reduction.

(4) In the case of a required installment, if the corporation establishes that the annualized income installment is less than the amount determined in paragraph (1), the amount of the required installment is the annualized income installment and the recapture of previous quarters' reductions allowed by this paragraph must be recovered by increasing subsequent required installments to the extent the reductions have not previously been recovered. A reduction shall be treated as recaptured for purposes of this paragraph if 90 percent of the reduction is recaptured.

(5) The "annualized income installment" is the excess, if any, of:

(a) an amount equal to the applicable percentage of the tax for the taxable year computed by placing on an annualized basis the taxable income:

(i) for the first two months of the taxable year, in the case of the first required installment;

(ii) for the first two months or for the first five months of the taxable year, in the case of the second required installment;

(iii) for the first six months or for the first eight months of the taxable year, in the case of the third required installment; and

(iv) for the first nine months or for the first 11 months of the taxable year, in the case of the fourth required installment, over;

(b) the aggregate amount of any prior required installments for the taxable year.

(c) For the purpose of this paragraph, the annualized income shall be computed by placing on an annualized basis the taxable income for the year up to the end of the month preceding the due date for the quarterly payment multiplied by 12 and dividing the resulting amount by the number of months in the taxable year (2, 5, 6, 8, 9, or 11 as the case may be) referred to in clause (a).

(d) The "applicable percentage" used in clause (a) is:

In the case of the following required installments:	The applicable percentage is:
1st	22.5
2nd	45
3rd	67.5
4th	90

(6)(a) If this paragraph applies, the amount determined for any installment must be determined in the following manner:

(i) take the taxable income for all months during the taxable year preceding the filing month;

(ii) divide that amount by the base period percentage for all months during the taxable year preceding the filing month;

(iii) determine the tax on the amount determined under item (ii); and

(iv) multiply the tax computed under item (iii) by the base period percentage for the filing month and all months during the taxable year preceding the filing month.

(b) For purposes of this paragraph:

(i) the "base period percentage" for any period of months is the average percent which the taxable income for the corresponding months in each of the three preceding taxable years bears to the taxable income for the three preceding taxable years;

(ii) the term "filing month" means the month in which the installment is required to be paid;

(iii) this paragraph shall only apply if the base period percentage for any six consecutive months of the taxable year equals or exceeds 70 percent; and

(iv) the commissioner may provide by rule for the determination of the base period percentage in the case of reorganizations, new corporations, and other similar circumstances.

(c) In the case of a required installment, determined under this paragraph, if the corporation determines that the installment is less than the amount determined in paragraph (1), the amount of the required installment is the amount determined under this paragraph and the recapture of previous quarters' reductions allowed by this paragraph must be recovered by increasing subsequent required installments to the extent the reductions have not previously been recovered. A reduction shall be treated as recaptured for purposes of this paragraph if 90 percent of the reduction is recaptured.

Sec. 10. Minnesota Statutes 1987 Supplement, section 290A.03, subdivision 15, is amended to read:

Subd. 15. [INTERNAL REVENUE CODE.] "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended through December 31, 1986 1987.

Sec. 11. [REPEALER.]

Minnesota Statutes 1986, sections 290.07, subdivisions 3 and 6; 290.11; 290.12, as amended by Laws 1987, chapter 268, article 1, section 64; 290.131, as amended by Laws 1987, chapter 268, article 1, section 65; 290.132, as amended by Laws 1987, chapter 268, article 1, section 66; 290.133, as amended by Laws 1987, chapter 268, article 1, section 67; 290.134, as amended by Laws 1987, chapter 268, article 1, section 68; 290.135, as amended by Laws 1987, chapter 268, article 1, section 69; 290.136, as amended by Laws 1987, chapter 268, article 1, section 70; 290.138, as amended by Laws 1987, chapter 268, article 1, section 71; and 290.934, subdivision 4; and Minnesota Statutes 1987 Supplement, section 290.14, is repealed.

Sec. 12. [INSTRUCTION TO REVISOR.]

In the next edition of Minnesota Statutes, the revisor of statutes shall substitute the phrase "Internal Revenue Code of 1986, as amended through December 31, 1987" for the phrase "Internal Revenue Code of 1986, as amended through December 31, 1986" whenever that phrase occurs in chapter 290, except section 290.01, subdivision 19, and chapter 291.

Sec. 13. [EFFECTIVE DATES.]

Section 4 is effective for taxable years beginning after December 31, 1986. The repeal in section 11 of Minnesota Statutes 1986, section 290.07,

subdivisions 3 and 6, are effective for taxable years beginning after December 31, 1986. The remainder of section 11 is effective for taxable years beginning after December 31, 1987. Except as provided in section 2, all other sections of this article are effective for taxable years beginning after December 31, 1987.

ARTICLE 4

PROPERTY TAX REFUND

Section 1. Minnesota Statutes 1987 Supplement, section 290A.03, subdivision 3, is amended to read:

Subd. 3. [INCOME.] (1) "Income" means the sum of the following:

(a) the greater of federal adjusted gross income as defined in the Internal Revenue Code or zero; and

(b) the sum of the following amounts to the extent not included in clause (a):

(i) all nontaxable income;

(ii) the amount of a passive activity loss that is not disallowed as a result of section 469, paragraph (i) or (1) of the Internal Revenue Code and the amount of passive activity loss carryover allowed under section 469(b) of the Internal Revenue Code;

(iii) an amount equal to the total of any discharge of qualified farm indebtedness of a solvent individual excluded from gross income under section 108(g) of the Internal Revenue Code;

(iv) cash public assistance and relief;

(v) any pension or annuity (including railroad retirement benefits, all payments received under the federal Social Security Act, supplemental security income, and veterans benefits), which was not exclusively funded by the claimant or spouse, or which was funded exclusively by the claimant or spouse and which funding payments were excluded from federal adjusted gross income in the years when the payments were made;

(vi) interest received from the federal or a state government or any instrumentality or political subdivision thereof;

(vii) workers' compensation;

(viii) nontaxable strike benefits;

(ix) the gross amounts of payments received in the nature of disability income or sick pay as a result of accident, sickness, or other disability, whether funded through insurance or otherwise;

(x) ~~the ordinary income portion of a lump sum distribution under section 402(e)(3) of the Internal Revenue Code; and~~

(xi) contributions made by the claimant to an individual retirement account, including a qualified voluntary employee contribution; simplified employee pension plan; self-employed retirement plan; cash or deferred arrangement plan under section 401(k) of the Internal Revenue Code; or deferred compensation plan under section 457 of the Internal Revenue Code; and

(xii) *nontaxable scholarship or fellowship grants.*

In the case of an individual who files an income tax return on a fiscal

year basis, the term "federal adjusted gross income" shall mean federal adjusted gross income reflected in the fiscal year ending in the calendar year. Federal adjusted gross income shall not be reduced by the amount of a net operating loss carryback.

(2) "Income" does not include

(a) amounts excluded pursuant to the Internal Revenue Code, sections 101(a), 102, ~~117~~, and 121;

(b) amounts of any pension or annuity which was exclusively funded by the claimant or spouse and which funding payments were not excluded from federal adjusted gross income in the years when the payments were made;

(c) surplus food or other relief in kind supplied by a governmental agency;

(d) relief granted under this chapter; or

(e) child support payments received under a temporary or final decree of dissolution or legal separation.

Sec. 2. Minnesota Statutes 1986, section 290A.03, subdivision 7, is amended to read:

Subd. 7. [DEPENDENT.] "Dependent" means any person who is ~~under 18 years of age at the end of the calendar year who receives more than 50 percent of support from the claimant, or who is between 18 and 24 years of age and is a full time student who receives more than 50 percent of support from the claimant~~ considered a dependent under sections 151 and 152 of the Internal Revenue Code of 1986, as amended through December 31, 1987. "Dependent" includes a parent of the claimant or spouse who lives in the claimant's homestead. ~~"Dependent" includes a person over 18 years of age who lives in the claimant's homestead and who receives more than 50 percent of support from the claimant.~~

Sec. 3. Minnesota Statutes 1987 Supplement, section 290A.03, subdivision 8, is amended to read:

Subd. 8. [CLAIMANT.] (a) "Claimant" means a person, other than a dependent, who filed a claim authorized by this chapter and who was a ~~resident of domiciled in~~ this state as provided in chapter 290 during the calendar year for which the claim for relief was filed.

(b) In the case of a claim relating to rent constituting property taxes, the claimant shall have resided in a rented or leased unit on which ad valorem taxes or payments made in lieu of ad valorem taxes, including payments of special assessments imposed in lieu of ad valorem taxes, are payable at some time during the calendar year covered by the claim.

(c) "Claimant" shall not include a resident of a nursing home, intermediate care facility, or long-term residential facility whose rent constituting property taxes is paid pursuant to the supplemental security income program under title XVI of the Social Security Act, the Minnesota supplemental aid program under sections 256D.35 to 256D.41, the medical assistance program pursuant to title XIX of the Social Security Act, or the general assistance medical care program pursuant to section 256D.03, subdivision 3. If only a portion of the rent constituting property taxes is paid by these programs, the resident shall be a claimant for purposes of this chapter, but the refund calculated pursuant to section 290A.04 shall be multiplied by a fraction, the numerator of which is income as defined in

subdivision 3 reduced by the total amount of income from the above sources other than vendor payments under the medical assistance program or the general assistance medical care program and the denominator of which is income as defined in subdivision 3 plus vendor payments under the medical assistance program or the general assistance medical care program, to determine the allowable refund pursuant to this chapter.

(d) Notwithstanding paragraph (c), if the claimant was a resident of the nursing home, intermediate care facility or long-term residential facility for only a portion of the calendar year covered by the claim, the claimant may compute rent constituting property taxes by disregarding the rent constituting property taxes from the nursing home, intermediate care facility, or long-term residential facility and use only that amount of rent constituting property taxes or property taxes payable relating to that portion of the year when the claimant was not in the facility. The claimant's household income is the income for the entire calendar year covered by the claim.

(e) In the case of a claim for rent constituting property taxes of a part-year Minnesota resident, the income and rental reflected in this computation shall be for the period of Minnesota residency only. Any rental expenses paid which may be reflected in arriving at federal adjusted gross income cannot be utilized for this computation. When two individuals of a household are able to meet the qualifications for a claimant, they may determine among them as to who the claimant shall be. If they are unable to agree, the matter shall be referred to the commissioner of revenue whose decision shall be final. If a homestead property owner was a part-year Minnesota resident, the income reflected in the computation made pursuant to section 290A.04 shall be for the entire calendar year, including income not assignable to Minnesota.

(f) If a homestead is occupied by two or more renters, who are not husband and wife, the rent shall be deemed to be paid equally by each, and separate claims shall be filed by each. The income of each shall be each renter's household income for purposes of computing the amount of credit to be allowed.

Sec. 4. Minnesota Statutes 1987 Supplement, section 290A.06, is amended to read:

290A.06 [FILING TIME LIMIT, LATE FILING; INCOME TAX RETURN.]

Any claim for a refund based on property taxes payable shall be filed with the department of revenue on or before August 15 of the year in which the property taxes are due and payable. A copy of the claimant's federal income tax return for the taxable year preceding the year in which the property taxes are payable must be filed with the claim if the claimant filed a federal income tax return for that year *unless a copy has been submitted with the claimants' Minnesota income tax return under section 290.37, subdivision 3.*

Any claim for rent constituting property taxes shall be filed with the department of revenue on or before August 15 of the year following the year in which the rent was paid. A copy of the claimant's federal income tax return for the taxable year in which the rent was paid must be filed with the claim if the claimant filed a federal income tax return for that year.

The commissioner may extend the time for filing these claims for a period not to exceed six months in the case of sickness, absence, or other disability, or when in the commissioner's judgment other good cause exists.

A claim filed after the original or extended due date shall be allowed, but the amount of credit shall be reduced by five percent of the amount otherwise allowable, plus an additional five percent for each month of delinquency, not exceeding a total reduction of 25 percent which may be canceled or reduced by the commissioner in the case of sickness, absence, or other disability, or when in the commissioner's judgment other good cause exists. In any event no claim shall be allowed if the initial claim is filed one year after the original due date for filing the claim.

The time limit on redetermination of claims for refund and examination of records shall be governed by sections 290.49, 290.50, and 290.56 and for purposes of computing the time limit as provided in these sections the due date of the property tax refund return shall be the same as the due date contained in section 290.42 for an income tax return covering the year in which the rent was paid or the year preceding the year in which the property taxes are payable.

Sec. 5. Minnesota Statutes 1987 Supplement, section 290A.19, is amended to read:

290A.19 [OWNER OR MANAGING AGENT TO FURNISH RENT CERTIFICATE; PENALTY.]

(a) The owner or managing agent of any property for which rent is paid for occupancy as a homestead shall furnish a certificate of rent constituting property tax to each person who is a renter on December 31, in the form prescribed by the commissioner. If the renter moves prior to December 31, the owner or managing agent has the option to either provide the certificate to the renter at the time of moving, or mail the certificate to the forwarding address if an address has been provided by the renter. The certificate shall be made available to the renter not later than January 31 of the year following the year in which the rent was paid.

(b) Any owner or managing agent who willfully fails to furnish a certificate to the renter and the commissioner as required by this section is liable to the commissioner for a penalty of \$100 for each act or failure to act. The penalty shall be assessed and collected in the manner provided in chapter 290 for the assessment and collection of income tax. If the owner or managing agent willfully furnishes certificates that report total rent constituting property taxes in excess of the amount of actual property taxes paid on the rented part of a property, as determined under this section, the owner or managing agent is liable for a penalty equal to the greater of (1) \$100 or (2) 50 percent of the excess that is reported. If the owner or managing agent reports a total amount of rent constituting property taxes that exceeds by ten percent or more the actual property taxes, the report is deemed to be willful.

(c) If the owner or managing agent elects to provide the renter with the certificate at the time of moving, rather than after December 31, the amount of rent constituting property taxes shall be computed as follows:

(i) The net tax shall be reduced by 1/12 for each month remaining in the calendar year.

(ii) In calculating the denominator of the fraction pursuant to section

290A.03, subdivision 11, the gross rent paid through the last month of claimant's occupancy shall be substituted for "the gross rent paid for the calendar year for the property in which the unit is located."

(d) The certificate of rent constituting property taxes shall include the address of the property, including the county, and the property tax parcel identification number and any additional information which the commissioner determines is appropriate.

(e) If the owner or managing agent fails to provide the renter with a certificate of rent constituting property taxes, the commissioner shall allocate the net tax on the building to the unit on a square footage basis or other appropriate basis as the commissioner determines. The renter shall supply the commissioner with a statement from the county treasurer which gives the amount of property tax on the parcel, the address and property tax parcel identification number of the property, and the number of units in the building.

~~(f) The owner or managing agent must file a copy of the certificate of rent paid with the commissioner before April 15 of the year following the year in which the rent was paid. The commissioner may require that each an owner or managing agent to submit a copy of the certificate of rent paid upon request or to submit a report on a single form the total property taxes for a property and the allocation of the property taxes as rent constituting property taxes among the renters of the property.~~

Sec. 6. [EFFECTIVE DATE.]

Sections 1 to 3 are effective for claims based on rent paid in 1988 and subsequent years and claims based on property taxes payable in 1987 and subsequent years. Section 4 is effective for claims based on rent paid in 1987 and subsequent years and claims based on property taxes payable in 1988 and subsequent years. Section 5 is effective for certificates of rent paid for 1988 and subsequent years.

ARTICLE 5

PROPERTY TAX REFORM

Section 1. Minnesota Statutes 1987 Supplement, section 124.155 subdivision 2, is amended to read:

Subd. 2. [ADJUSTMENT TO AIDS.] The amount specified in subdivision 1 shall be used to adjust the following state aids and credits in the order listed:

- (a) foundation aid as defined in section 124A.01;
- (b) secondary vocational aid authorized in section 124.573;
- (c) special education aid authorized in section 124.32;
- (d) secondary vocational aid for handicapped children authorized in section 124.574;
- (e) gifted and talented aid authorized in section 124.247;
- (f) aid for pupils of limited English proficiency authorized in section 124.273;
- (g) aid for chemical use programs authorized in section 124.246;
- (h) interdistrict cooperation aid authorized in section 124.272;

- (i) summer program aid authorized in section 124A.033;
- (j) transportation aid authorized in section 124.225;
- (k) community education programs aid authorized in section 124.271;
- (l) adult education aid authorized in section 124.26;
- (m) early childhood family education aid authorized in section 124.2711;
- (n) capital expenditure equalization aid authorized in section 124.245;
- (o) ~~homestead credit replacement aid authorized in section 273.1394;~~
- ~~(p) agricultural credit replacement aid authorized in section 273.1395~~
~~transition aid and disparity reduction aid authorized in section 273.1398;~~
- ~~(q)~~ (p) attached machinery aid authorized in section 273.138, subdivision 3; and
- ~~(r)~~ (q) teacher retirement and F.I.C.A. aid authorized in sections 124.2162 and 124.2163.

The commissioner of education shall schedule the timing of the adjustments to state aids and credits specified in subdivision 1, as close to the end of the fiscal year as possible.

Sec. 2. Minnesota Statutes 1987 Supplement, section 124.2139 is amended to read:

124.2139 [REDUCTION OF ~~HOMESTEAD CREDIT TRANSITION AID AND DISPARITY REDUCTION AID~~ PAYMENTS TO SCHOOL DISTRICTS.]

The commissioner of revenue shall reduce ~~homestead credit replacement aid transition aid and disparity reduction aid~~ payments made to school districts ~~pursuant to under section 273.1394 273.1398~~ by the product of:

- (1) the district's fiscal year 1984 payroll for coordinated plan members of the public employees retirement association, times
- (2) the difference between the employer contribution rate in effect prior to July 1, 1984, and the total employer contribution rate in effect after June 30, 1984.

Sec. 3. Minnesota Statutes 1987 Supplement, section 124A.02, subdivision 11, is amended to read:

Subd. 11. [MINIMUM AID.] A qualifying district's minimum aid for each school year shall equal its minimum guarantee for that school year, minus the sum of:

- (1) the amount of the district's ~~homestead credit replacement aid paid under section 273.1394 and its agricultural credit replacement aid under section 273.1395 transition aid and disparity reduction aid paid under section 273.1398~~ for that school year, ~~after any positive tax base adjustment but prior to any negative tax base adjustment under section 273.1396;~~
- (2) the amount by which property taxes of the district for use in that school year are reduced by the attached machinery provisions in section 273.138, subdivision 6;
- (3) the amount by which property taxes of the district for use in that school year are reduced by the state reimbursed disaster or emergency reassessment provisions in section 273.123; and

(4) the amount by which property taxes of the district for use in that school year are reduced by the metropolitan agricultural preserve provisions in section 473H.10.

Sec. 4. Minnesota Statutes 1987 Supplement, section 272.01, subdivision 2, is amended to read:

Subd. 2. (a) When any real or personal property which for any reason is exempt from ad valorem taxes, and taxes in lieu thereof, is leased, loaned, or otherwise made available and used by a private individual, association, or corporation in connection with a business conducted for profit, there shall be imposed a tax, for the privilege of so using or possessing such real or personal property, in the same amount and to the same extent as though the lessee or user was the owner of such property.

(b) The tax imposed by this subdivision shall not apply to (1) property leased or used by way of a concession in or relative to the use in whole or part of a public park, market, fairgrounds, port authority, economic development authority established under chapter 458C, municipal auditorium, *airport owned by a city, town, county, or group thereof but not the airports owned or operated by the metropolitan airports commission or a city of over 50,000 population or an airport authority therein*, municipal museum or municipal stadium or (2) property constituting or used as a public pedestrian ramp or concourse in connection with a public airport or (3) *property constituting or used as a passenger check-in area or ticket sale counter, boarding area, or luggage claim area in connection with a public airport but not the airports owned or operated by the metropolitan airports commission or cities of over 50,000 population or an airport authority therein. Real estate owned by a municipality in connection with the operation of a public airport and leased or used for agricultural purposes shall not be exempt.*

(c) Taxes imposed by this subdivision shall be due and payable as in the case of personal property taxes and such taxes shall be assessed to such lessees or users of real or personal property in the same manner as taxes assessed to owners of real or personal property, except that such taxes shall not become a lien against the property. When due, the taxes shall constitute a debt due from the lessee or user to the state, township, city, county and school district for which the taxes were assessed and shall be collected in the same manner as personal property taxes. If property subject to the tax imposed by this subdivision is leased or used jointly by two or more persons, each lessee or user shall be jointly and severally liable for payment of the tax.

Sec. 5. Minnesota Statutes 1987 Supplement, section 272.02, subdivision 1, is amended to read:

Subdivision 1. All property described in this section to the extent herein limited shall be exempt from taxation:

- (1) all public burying grounds;
- (2) all public schoolhouses;
- (3) all public hospitals;
- (4) all academies, colleges, and universities, and all seminaries of learning;
- (5) all churches, church property, and houses of worship;

(6) institutions of purely public charity except parcels of property containing structures and the structures described in section 273.13, subdivision 25, paragraph (c), clause (1) or (2), or paragraph (d), clause (2);

(7) all public property exclusively used for any public purpose;

(8) except for the taxable personal property enumerated below, all personal property and the property described in section 272.03, subdivision 1, paragraphs (c) and (d) shall be exempt.

The following personal property shall be taxable:

(a) personal property which is part of an electric generating, transmission, or distribution system or a pipeline system transporting or distributing water, gas, crude oil, or petroleum products or mains and pipes used in the distribution of steam or hot or chilled water for heating or cooling buildings and structures;

(b) railroad docks and wharves which are part of the operating property of a railroad company as defined in section 270.80;

(c) personal property defined in section 272.03, subdivision 2, clause (3);

(d) leasehold or other personal property interests which are taxed pursuant to section 272.01, subdivision 2; 273.124, subdivision 7; or 273.19, subdivision 1; or any other law providing the property is taxable as if the lessee or user were the fee owner;

(e) manufactured homes and sectional structures; and

(f) light property as defined in section 270.071.

(9) Real and personal property used primarily for the abatement and control of air, water, or land pollution to the extent that it is so used, other than real property used primarily as a solid waste disposal site.

Any taxpayer requesting exemption of all or a portion of any equipment or device, or part thereof, operated primarily for the control or abatement of air or water pollution shall file an application with the commissioner of revenue. The equipment or device shall meet standards, rules or criteria prescribed by the Minnesota pollution control agency, and must be installed or operated in accordance with a permit or order issued by that agency. The Minnesota pollution control agency shall upon request of the commissioner furnish information or advice to the commissioner. On determining that property qualifies for exemption, the commissioner shall issue an order exempting the property from taxation. The equipment or device shall continue to be exempt from taxation as long as the permit issued by the Minnesota pollution control agency remains in effect.

(10) Wetlands. For purposes of this subdivision, "wetlands" means (1) land described in section 105.37, subdivision 15, or (2) land which is mostly under water, produces little if any income, and has no use except for wildlife or water conservation purposes, provided it is preserved in its natural condition and drainage of it would be legal, feasible, and economically practical for the production of livestock, dairy animals, poultry, fruit, vegetables, forage and grains, except wild rice. "Wetlands" shall include adjacent land which is not suitable for agricultural purposes due to the presence of the wetlands. "Wetlands" shall not include woody swamps containing shrubs or trees, wet meadows, meandered water, streams, rivers, and floodplains or river bottoms. Exemption of wetlands from taxation

pursuant to this section shall not grant the public any additional or greater right of access to the wetlands or diminish any right of ownership to the wetlands.

(11) Native prairie. The commissioner of the department of natural resources shall determine lands in the state which are native prairie and shall notify the county assessor of each county in which the lands are located. Pasture land used for livestock grazing purposes shall not be considered native prairie for the purposes of this clause and section 273.116. Upon receipt of an application for the exemption and credit provided in this clause and section 273.116 for lands for which the assessor has no determination from the commissioner of natural resources, the assessor shall refer the application to the commissioner of natural resources who shall determine within 30 days whether the land is native prairie and notify the county assessor of the decision. Exemption of native prairie pursuant to this clause shall not grant the public any additional or greater right of access to the native prairie or diminish any right of ownership to it.

(12) Property used in a continuous program to provide emergency shelter for victims of domestic abuse, provided the organization that owns and sponsors the shelter is exempt from federal income taxation pursuant to section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1986, notwithstanding the fact that the sponsoring organization receives funding under section 8 of the United States Housing Act of 1937, as amended.

(13) If approved by the governing body of the municipality in which the property is located, property not exceeding one acre which is owned and operated by any senior citizen group or association of groups that in general limits membership to persons age 55 or older and is organized and operated exclusively for pleasure, recreation, and other nonprofit purposes, no part of the net earnings of which inures to the benefit of any private shareholders; provided the property is used primarily as a clubhouse, meeting facility or recreational facility by the group or association and the property is not used for residential purposes on either a temporary or permanent basis.

(14) To the extent provided by section 295.44, real and personal property used or to be used primarily for the production of hydroelectric or hydro-mechanical power on a site owned by the state or a local governmental unit which is developed and operated pursuant to the provisions of section 105.482, subdivisions 1, 8, and 9.

(15) If approved by the governing body of the municipality in which the property is located, and if construction is commenced after June 30, 1983:

(a) a "direct satellite broadcasting facility" operated by a corporation licensed by the federal communications commission to provide direct satellite broadcasting services using direct broadcast satellites operating in the 12-ghz. band; and

(b) a "fixed satellite regional or national program service facility" operated by a corporation licensed by the federal communications commission to provide fixed satellite-transmitted regularly scheduled broadcasting services using satellites operating in the 6-ghz. band.

An exemption provided by paragraph (15) shall apply for a period not to exceed five years. When the facility no longer qualifies for exemption, it shall be placed on the assessment rolls as provided in subdivision 4. Before

approving a tax exemption pursuant to this paragraph, the governing body of the municipality shall provide an opportunity to the members of the county board of commissioners of the county in which the facility is proposed to be located and the members of the school board of the school district in which the facility is proposed to be located to meet with the governing body. The governing body shall present to the members of those boards its estimate of the fiscal impact of the proposed property tax exemption. The tax exemption shall not be approved by the governing body until the county board of commissioners has presented its written comment on the proposal to the governing body, or 30 days has passed from the date of the transmittal by the governing body to the board of the information on the fiscal impact, whichever occurs first.

(16) Real and personal property owned and operated by a private, non-profit corporation exempt from federal income taxation pursuant to United States Code, title 26, section 501(c)(3), primarily used in the generation and distribution of hot water for heating buildings and structures.

(17) Notwithstanding section 273.19, state lands that are leased from the department of natural resources under section 92.46.

(18) Electric power distribution lines and their attachments and appurtenances, that are used primarily for supplying electricity to farmers at retail.

(19) Property used as a transitional housing facility which provides temporary housing services for a period not to exceed one year for any resident, a continuous self sufficiency program, and other support services for residents, if the organization that owns and sponsors the transitional housing facility is exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1987. This exemption applies notwithstanding the fact that the sponsoring organization receives financing by a direct federal loan or federally insured loan or a loan made by the Minnesota housing finance agency under the provisions of either Title II of the National Housing Act or the Minnesota housing finance agency law of 1971 or rules promulgated by the agency pursuant thereto, and notwithstanding the fact that the sponsoring organization receives funding under Section 8 of the United States Housing Act of 1937, as amended.

Sec. 6. Minnesota Statutes 1987 Supplement, section 272.115, subdivision 4, is amended to read:

Subd. 4. No real estate sold on or after January 1, 1978, for which a certificate of value is required pursuant to subdivision 1 shall ~~receive the homestead value exemption amount or the agricultural exemption amount computed in section 275.081;~~ be classified as a homestead or receive the taconite homestead credit provided in sections 273.134 to 273.136, unless a certificate of value has been filed with the county auditor in accordance with this section.

This subdivision shall apply to any real estate taxes that are payable the year or years following the sale of the property.

Sec. 7. Minnesota Statutes 1987 Supplement, section 273.1102, is amended by adding a subdivision to read:

Subd. 3. [1988 ADJUSTMENT.]

For the purposes of any levy limitations or levy authorities expressed in mills, other than school district limitations based on adjusted assessed

value, or any salary or debt limitations expressed in terms of assessed value that are currently in effect or were put into effect as the result of laws enacted during the 1988 session of the state legislature, the dollar amount of those limitations or authorities will be determined as follows.

The equivalent dollar amount of those limitations or authorities for taxes payable in 1988 will be inflated by the ratio of the applicable jurisdiction's tax capacity or equalized tax capacity, whichever is appropriate for taxes payable 1989 to the amount equivalent to what would have been the jurisdiction's tax capacity or equalized tax capacity for taxes payable in 1988 if the provisions of sections 273.13 and 275.08, subdivision 1a, had been in effect.

For school districts levy limitations or authorities expressed in terms of mills and adjusted assessed value, their levy limitations shall be converted by the department of education to "equalized tax capacity rates." For purposes of this calculation, the 1987 adjusted assessed values of the district shall be converted to "adjusted tax capacities" by multiplying the equalized market values by class of property and by the tax capacity rates provided in section 273.13. The requirements of section 124.2131, subdivision 1, paragraph (c), and subdivisions 2 and 3, shall remain in effect.

Sec. 8. Minnesota Statutes 1987 Supplement, section 273.123, subdivision 4, is amended to read:

Subd. 4. [STATE REIMBURSEMENT.] The county auditor shall calculate the tax on the property described in subdivision 2 based on the assessment made on January 2 of the year in which the disaster or emergency occurred. The difference between the tax determined on the January 2 assessed value and the tax actually payable based on the reassessed value determined under subdivision 2 shall be reimbursed to each taxing jurisdiction in which the damaged property is located. The amount shall be certified by the county auditor and reported to the commissioner of revenue. The commissioner shall make the payments to the taxing jurisdictions containing the property at the time distributions are made pursuant to section ~~273.1394~~ 273.1398, in the same proportion that the ad valorem tax is distributed.

Sec. 9. Minnesota Statutes 1987 Supplement, section 273.123, subdivision 5, is amended to read:

Subd. 5. [COMPUTATION OF CREDITS.] The amounts of any credits or tax relief which reduce the gross tax shall be computed upon the reassessed value determined under subdivision 2. Payment shall be made pursuant to section ~~273.1394~~ 273.1398. For purposes of the property tax refund, property taxes payable, as defined in section 290A.03, subdivision 13, and net property taxes payable, as defined in section 290A.04, subdivision 2d, shall be computed upon the reassessed value determined under subdivision 2.

Sec. 10. Minnesota Statutes 1987 Supplement, section 273.124, subdivision 11, is amended to read:

Subd. 11. [LIMITATION ON HOMESTEAD CLASSIFICATION.] If the assessor has classified a property as both homestead and nonhomestead, the greater of the value attributable to the portion of the property classified as class 1 or class 2a or the value of the first tier of ~~assessment~~ tax capacity percentages provided under section 273.13, subdivision 22, or 23, paragraph (a) is entitled to assessment as a homestead under section 273.13,

subdivision 22 or 23, and the homestead exemption under section 275.081, subdivision 2. The limitation in this subdivision does not apply to buildings containing fewer than four residential units or to a single rented or leased dwelling unit located within or attached to a private garage or similar structure owned by the owner of a homestead and located on the premises of that homestead.

If the assessor has classified a property as both homestead and non-homestead, the reductions in tax provided under sections 273.135 and 273.1391 apply to the value of both the homestead and the nonhomestead portions of the property.

Sec. 11. Minnesota Statutes 1987 Supplement, section 273.124, subdivision 13, is amended to read:

Subd. 13. [SOCIAL SECURITY NUMBER REQUIRED FOR HOMESTEAD APPLICATION.] ~~Beginning with the January 2, 1987, assessment,~~ Every property owner applying for homestead classification must furnish to the county assessor that owner's social security or taxpayer identification number. If the social security or taxpayer identification number is not provided, the county assessor shall classify the property as nonhomestead. The social security numbers of the property owners are private data on individuals as defined by section 13.02, subdivision 12, but, notwithstanding that section, the private data may be disclosed to the commissioner of revenue.

At the request of the commissioner, each county must give the commissioner a ~~listing~~ list that includes the name and social security or taxpayer identification number of each property owner applying for homestead classification.

If, in comparing the lists supplied by the counties, the commissioner finds that a property owner is claiming more than one homestead, the commissioner shall notify the appropriate counties. Within 90 days of the notification, the county assessor shall investigate to determine if the homestead classification was properly claimed. If the property owner does not qualify, the county assessor shall notify the county auditor who will determine the amount of homestead benefits that had been improperly allowed. For the purpose of this section, "homestead benefits" means the tax reduction resulting from the ~~homestead exemption amount provided under section 275.081~~ classification as a homestead under section 273.13, the taconite homestead credit, and the supplemental homestead credit, ~~and the tax reduction resulting from the agricultural exemption amount provided in section 275.081.~~ The county auditor shall send a notice to the owners of the affected property, demanding reimbursement of the homestead benefits plus a penalty equal to 25 percent of the homestead benefits. The property owners may appeal the county's determination by filing a notice of appeal with the Minnesota tax court within 60 days of the date of the notice from the county.

If the amount of homestead benefits and penalty is not paid within 60 days, and if no appeal has been filed, the county auditor shall certify the amount to the succeeding year's tax list to be collected as part of the property taxes.

Any amount of homestead benefits recovered from the property owner must be transmitted to the commissioner by the end of each calendar quarter. Any amount recovered attributable to taconite homestead credit

shall be transmitted to the St. Louis county auditor to be deposited in the taconite property tax relief account. The amount of penalty collected must be deposited in the county general fund.

The commissioner will provide suggested homestead applications to each county. If a property owner has applied for more than one homestead and the county assessors cannot determine which property should be classified as homestead, the county assessors will refer the information to the commissioner. The commissioner shall make the determination and notify the counties within 60 days.

In addition to lists of homestead properties, the commissioner may ask the counties to furnish lists of all properties and the record owners.

Sec. 12. Minnesota Statutes 1987 Supplement, section 273.13, subdivision 22, is amended to read:

Subd. 22. [CLASS 1.] (a) Except as provided in subdivision 23, real estate which is residential and used for homestead purposes is class 1. The market value of class 1a property must be determined based upon the value of the house, garage, and land.

The first \$68,000 of market value of class 1a property ~~must be assessed at 17~~ has a tax capacity of one percent of its market value. The ~~homestead~~ market value of class 1a property that exceeds \$68,000 ~~must be assessed at 27~~ but does not exceed \$100,000 has a tax capacity of 2.5 percent of its value. ~~The market value of class 1a property that exceeds \$100,000 has a tax capacity of 3.4 percent.~~

(b) Class 1b property includes real estate or manufactured homes used for the purposes of a homestead by

(1) any blind person, if the blind person is the owner thereof or if the blind person and the blind person's spouse are the sole owners thereof; or

(2) any person, hereinafter referred to as "veteran," who:

(i) served in the active military or naval service of the United States; and

(ii) is entitled to compensation under the laws and regulations of the United States for permanent and total service-connected disability due to the loss, or loss of use, by reason of amputation, ankylosis, progressive muscular dystrophies, or paralysis, of both lower extremities, such as to preclude motion without the aid of braces, crutches, canes, or a wheelchair; and

(iii) with assistance by the administration of veterans affairs has acquired a special housing unit with special fixtures or movable facilities made necessary by the nature of the veteran's disability, or the surviving spouse of the deceased veteran for as long as the surviving spouse retains the special housing unit as a homestead; or

(3) any person who:

(i) is permanently and totally disabled and

(ii) receives 90 percent or more of total income from

(A) aid from any state as a result of that disability; or

(B) supplemental security income for the disabled; or

(C) workers' compensation based on a finding of total and permanent disability; or

(D) social security disability, including the amount of a disability insurance benefit which is converted to an old age insurance benefit and any subsequent cost of living increases; or

(E) aid under the Federal Railroad Retirement Act of 1937, United States Code Annotated, title 45, section 228b(a)5; or

(F) a pension from any local government retirement fund located in the state of Minnesota as a result of that disability.

Property is classified and assessed pursuant to clause (1) only if the commissioner of jobs and training certifies to the assessor that the owner of the property satisfies the requirements of this subdivision. The commissioner of jobs and training shall provide a copy of the certification to the commissioner of revenue.

~~Class 1b property is valued and assessed as follows: in the case of agricultural land, including a manufactured home, used for a homestead, the first \$33,000 of market value shall be valued and assessed at five percent, the next \$33,000 of market value shall be valued and assessed at 14 percent, and the remaining market value shall be valued and assessed at 18 percent; and in the case of all other real estate and manufactured homes, the first \$34,000 of market value shall be valued and assessed at five percent, the next \$34,000 of market value shall be valued and assessed at 17 percent, and the remaining market value shall be valued and assessed at 27 percent. In the case of agricultural land including a manufactured home used for purposes of a homestead, the commissioner of revenue shall adjust, as provided in section 273.1311, the maximum amount of the market value of the homestead brackets subject to the five percent and 18 percent rates; and for all other real estate and manufactured homes, the commissioner of revenue shall adjust, as provided in section 273.1311, the maximum amount of the market value of the homestead brackets subject to the five percent and 17 percent rates. Permanently and totally disabled for the purpose of this subdivision means a condition which is permanent in nature and totally incapacitates the person from working at an occupation which brings the person an income. The first \$32,000 market value of class 1b property has a tax capacity of .4 percent. The remaining market value of class 1b property has the tax capacity of the same type and market value of non-class 1b property.~~

(c) Class 1c property is commercial use real property that abuts a lake-shore line and is devoted to temporary and seasonal residential occupancy for recreational purposes but not devoted to commercial purposes for more than 200 days in the year preceding the year of assessment, and that includes a portion used as a homestead by the owner. ~~It must be assessed at 12~~ *Class 1c property has a tax capacity of .85 percent of market value with the following limitation: the area of the property must not exceed 100 feet of lakeshore footage for each cabin or campsite located on the property up to a total of 800 feet and 500 feet in depth, measured away from the lakeshore.*

~~(d) The tax to be paid on class 1a or class 1b property, less any reduction received pursuant to sections 273.123 and 473H.10, shall be reduced by 54 percent of the tax imposed on the first \$68,000 of market value. The amount of the reduction shall not exceed \$700.~~

Sec. 13. Minnesota Statutes 1987 Supplement, section 273.13, subdivision 23, is amended to read:

Subd. 23. [CLASS 2.] (a) Class 2a property is agricultural land that is homesteaded, together with the house and garage. The first ~~\$66,000~~ \$65,000 of market value of the land of an agricultural homestead is valued at 30, exclusive of the first acre immediately surrounding the house, has a tax capacity of .4 percent. The remaining value of class 2a property is assessed at 40 the class 2a land that does not exceed 320 acres has a tax capacity of .85 percent, and the land in excess of 320 acres has a tax capacity of 1.7 percent of market value. The market value of the house and garage and immediately surrounding one acre that does not exceed \$65,000 has a tax capacity of .85 percent, and the excess over \$65,000 has a tax capacity of 2.2 percent.

Noncontiguous land shall constitute class 2a only if the homestead is classified as class 2a and the detached land is located in the same township or city or not farther than two townships or cities or combination thereof from the homestead.

Agricultural land used for purposes of a homestead and actively farmed by a person holding a vested remainder interest in it must be classified class 2a. If agricultural land is classified class 2a, any other dwellings on the land used for purposes of a homestead by persons holding vested remainder interests who are actively engaged in farming the property, and up to one acre of the land surrounding each homestead and reasonably necessary for the use of the dwelling as a home, must also be assessed class 2a and is entitled to the homestead credit.

~~The tax to be paid on class 2a property, less any reduction received pursuant to sections 273.123 and 473H.10 shall be reduced by 52 percent of the tax. The amount of the reduction shall not exceed \$700.~~

(b) Class 2b property is (1) real estate, rural in character and used exclusively for growing trees for timber, lumber, and wood and wood products; and (2) real estate that is nonhomestead agricultural land. Class 2b property is assessed at 40 has a tax capacity of 1.7 percent of market value.

Agricultural land as used in this section shall mean means contiguous acreage of ten acres or more, primarily used during the preceding year for agricultural purposes. Agricultural use may include pasture, timber, waste, unusable wild land and land included in federal farm programs.

Real estate of less than ten acres used principally for raising poultry, livestock, fruit, vegetables or other agricultural products, shall be considered as agricultural land, if it is not used primarily for residential purposes.

The assessor shall determine and list separately on the records the market value of the homestead dwelling and the one acre of land on which that dwelling is located. If any farm buildings or structures are located on this homesteaded acre of land, their market value shall not be included in this separate determination.

Sec. 14. Minnesota Statutes 1987 Supplement, section 273.13, subdivision 24, is amended to read:

Subd. 24. [CLASS 3.] (a) Commercial and industrial property is class 3a. It is assessed at 60 has a tax capacity of 3.3 percent of the first \$80,000 of market value and 96 5.3 percent of the market value over \$80,000. In

the case of state-assessed commercial or industrial property owned by one person or entity, only one parcel may qualify for the ~~60~~ 3.3 percent ~~assessment treatment of its capacity~~. In the case of other commercial or industrial property owned by one person or entity, only one parcel in each county may qualify for the ~~60~~ 3.3 percent ~~assessment treatment of its capacity~~.

(b) Employment property defined in section 469.166, during the period provided in section 469.170, shall constitute class 3b and ~~shall be valued and assessed at 45~~ has a tax capacity of 2.5 percent of the first \$50,000 of market value and ~~50~~ 3.5 percent of the remainder, except that for employment property located in a border city enterprise zone designated pursuant to section 469.168, subdivision 4, paragraph (c), the tax capacity of the first \$80,000 of market value ~~shall be valued and assessed at 60~~ is 3.3 percent and the tax capacity of the remainder ~~shall be assessed and valued at 86~~ is 4.8 percent, unless the governing body of the city designated as an enterprise zone determines that a specific parcel shall be assessed pursuant to the first clause of this sentence. The governing body may provide for assessment under the first clause of the preceding sentence only for property which is located in an area which has been designated by the governing body for the receipt of tax reductions authorized by section 469.171, subdivision 1.

Sec. 15. Minnesota Statutes 1987 Supplement, section 273.13, subdivision 25, is amended to read:

Subd. 25. [CLASS 4.] (a) Class 4a is residential real estate containing four or more units and used or held for use by the owner or by the tenants or lessees of the owner as a residence for rental periods of 30 days or more. Class 4a also includes hospitals licensed under sections 144.50 to 144.56, other than hospitals exempt under section 272.02, and contiguous property used for hospital purposes, without regard to whether the property has been platted or subdivided. Class 4a property is assessed at ~~70~~ has a tax capacity of 4.1 percent of market value.

(b) Class 4b includes:

(1) residential real estate containing less than four units, other than seasonal residential, recreational, and ~~homesteads~~ a structure having five or more stories that is constructed with materials meeting the requirements for type I or II construction as defined in the state building code, 90 percent or more of which is used or is to be used as apartment housing for a period of 40 years from the date of completion of original construction, or the date of initial though partial use, whichever is the earlier date;

(2) post-secondary student housing not to exceed one acre of land which is owned by a nonprofit corporation organized under chapter 317 and is used exclusively by a sorority or fraternity organization for housing;

(3) manufactured homes not classified under any other provision; and

(4) a dwelling, garage, and surrounding one acre of property on a non-homestead farm classified under subdivision 23, paragraph (b), which has a tax capacity of 2.7 percent.

Class 4b property is assessed at 60 percent for taxes levied in 1988, payable in 1989 and thereafter has a tax capacity of 3.5 percent, except as provided in clause (4).

(c) Class 4c property includes:

(1) a structure that is situated on real property that is used for housing for the elderly or for low and moderate income families as defined by Title II of the National Housing Act or the Minnesota housing finance agency law of 1971 or rules promulgated by the agency pursuant thereto and financed by a direct federal loan or federally insured loan or a loan made by the Minnesota housing finance agency pursuant to the provisions of either of those acts and acts amendatory thereof. This clause applies only to property of a nonprofit or limited dividend entity. Property is classified as class 4c under this clause for 15 years from the date of the completion of the original construction or substantial rehabilitation, or for the original term of the loan;

(2) a structure that is:

(i) situated upon real property that is used for housing lower income families or elderly or handicapped persons, as defined in section 8 of the United States Housing Act of 1937, as amended; and

(ii) owned by an entity which has entered into a housing assistance payments contract under section 8 which provides assistance for 100 percent of the dwelling units in the structure, other than dwelling units intended for management or maintenance personnel. Property is classified as class 4c under this clause for the term of the housing assistance payments contract, including all renewals, or for the term of its permanent financing, whichever is shorter; and

(3) a qualified low-income building that receives a low-income housing credit under section 42 of the Internal Revenue Code of 1986, as amended through December 31, 1987.

For all properties described in clauses (1) ~~and (2)~~, (2), and (3) and in paragraph (d), ~~clause (2)~~, the market value determined by the assessor must be based on the normal approach to value using normal unrestricted rents. *The land on which these structures are situated has a tax capacity of 3.5 percent if the structure contains fewer than four units, and 4.1 percent if the structure contains four or more units.*

~~(3)~~ (4) a parcel of land, not to exceed one acre, and its improvements or a parcel of unimproved land, not to exceed one acre, if it is owned by a neighborhood real estate trust and at least 60 percent of the dwelling units, if any, on all land owned by the trust are leased to or occupied by lower income families or individuals. This clause does not apply to any portion of the land or improvements used for nonresidential purposes. For purposes of this clause, a lower income family is a family with an income that does not exceed 65 percent of the median family income for the area, and a lower income individual is an individual whose income does not exceed 65 percent of the median individual income for the area, as determined by the United States Secretary of Housing and Urban Development. For purposes of this clause, "neighborhood real estate trust" means an entity which is certified by the governing body of the municipality in which it is located to have the following characteristics: (a) it is a nonprofit corporation organized under chapter 317; (b) it has as its principal purpose providing housing for lower income families in a specific geographic community designated in its articles or bylaws; (c) it limits membership with voting rights to residents of the designated community; and (d) it has a board of directors consisting of at least seven directors, 60 percent of whom are members with voting rights and, to the extent feasible, 25 percent of whom are elected by resident members of buildings owned by the trust; and

(4) (5) except as provided in paragraph (d), clause (1), real property devoted to temporary and seasonal residential occupancy for recreation purposes, including real property devoted to temporary and seasonal residential occupancy for recreation purposes and not devoted to commercial purposes for more than 200 days in the year preceding the year of assessment. For this purpose, property is devoted to commercial use on a specific day if it is used, or offered for use, and a fee is charged for the use. Class 4c also includes commercial use real property used exclusively for recreational purposes in conjunction with class 4c property devoted to temporary and seasonal residential occupancy for recreational purposes, up to a total of two acres, provided the property is not devoted to commercial recreational use for more than 200 days in the year preceding the year of assessment and is located within two miles of the class 4c property with which it is used. Class 4c property *classified in clauses (5) and (6)* also includes the remainder of class 4d 1c resorts *and has a tax capacity of 2.6 percent of market value, except that noncommercial seasonal recreational property has a tax capacity of 2.4 percent;* and

(5) (6) real property up to a maximum of one acre of land owned by a nonprofit community service oriented organization; provided that the property is not used for a revenue-producing activity for more than six days in the calendar year preceding the year of assessment and the property is not used for residential purposes on either a temporary or permanent basis. For purposes of this clause, a "nonprofit community service oriented organization" means any corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious, fraternal, civic, or educational purposes, and which is exempt from federal income taxation pursuant to section 501(c)(3), (10), or (19) of the Internal Revenue Code of 1986, as amended through December 31, 1986. For purposes of this clause, "revenue-producing activities" shall include but not be limited to property or that portion of the property that is used as an on-sale intoxicating liquor or nonintoxicating malt liquor establishment licensed under chapter 340A, a restaurant open to the public, bowling alley, a retail store, gambling conducted by organizations licensed under chapter 349, an insurance business, or office or other space leased or rented to a lessee who conducts a for-profit enterprise on the premises. Any portion of the property which is used for revenue-producing activities for more than six days in the calendar year preceding the year of assessment shall be assessed as class 3a. The use of the property for social events open exclusively to members and their guests for periods of less than 24 hours, when an admission is not charged nor any revenues are received by the organization shall not be considered a revenue-producing activity; and

Class 4c property is assessed at 50 *classified under clauses (1), (2), (3), and (4)* has a tax capacity of 2.5 percent.

(d) Class 4d property includes:

(1) ~~commercial use real property that abuts a lakeshore line and is devoted to temporary and seasonal residential occupancy for recreational purposes but not devoted to commercial purposes for more than 200 days in the year preceding the year of assessment, and that includes a portion used as a homestead by the owner. The area of the property that is classified as class 4d must not exceed 100 feet of lakeshore footage for each cabin or campsite located on the property up to a total of 800 feet and 500 feet in depth,~~

measured away from the lakeshore;

(2) any structure:

(i) situated on real property that is used for housing for the elderly or for low and moderate income families as defined by the farmers home administration;

(ii) located in a municipality of less than 10,000 population; and

(iii) financed by a direct loan or insured loan from the farmers home administration. Property ~~must be assessed~~ *is classified* under this clause for 15 years from the date of the completion of the original construction or for the original term of the loan.

The 30 percent and 50 percent assessment ratios 1.4 percent and 2.5 percent tax capacity assignments apply to the properties described in paragraph (c), clauses (1) and (2), (2), and (3) and this clause, only in proportion to occupancy of the structure by elderly or handicapped persons or low and moderate income families as defined in the applicable laws unless construction of the structure had been commenced prior to January 1, 1984; or the project had been approved by the governing body of the municipality in which it is located prior to June 30, 1983; or financing of the project had been approved by a federal or state agency prior to June 30, 1983. Classification under this clause is only available to property of a nonprofit or limited dividend entity; and

(3) the first \$34,000 of market value of real estate or manufactured homes used for the purposes of a homestead by

(i) any blind person, if the blind person is the owner thereof or if the blind person and the blind person's spouse are the sole owners thereof; or

(ii) any person, hereinafter referred to as "veteran," who:

(A) served in the active military or naval service of the United States; and

(B) is entitled to compensation under the laws and regulations of the United States for permanent and total service-connected disability due to the loss, or loss of use, by reason of amputation, ankylosis, progressive muscular dystrophies, or paralysis, of both lower extremities, such as to preclude motion without the aid of braces, crutches, canes, or a wheelchair; and

(C) with assistance by the administration of veterans affairs has acquired a special housing unit with special fixtures or movable facilities made necessary by the nature of the veteran's disability, or the surviving spouse of the deceased veteran for as long as the surviving spouse retains the special housing unit as a homestead; or

(iii) any person who:

(A) is permanently and totally disabled and

(B) receives 90 percent or more of total income from

(1) aid from any state as a result of that disability; or

(2) supplemental security income for the disabled; or

(3) workers' compensation based on a finding of total and permanent disability; or

(4) social security disability, including the amount of a disability insurance benefit which is converted to an old age insurance benefit and any subsequent cost of living increases; or

(5) aid under the Federal Railroad Retirement Act of 1937, United States Code Annotated, title 45, section 228b(a)5; or

(6) a pension from any local government retirement fund located in the state of Minnesota as a result of that disability.

Property is classified and assessed pursuant to this clause only if the commissioner of human services certifies to the assessor that the owner of the property satisfies the requirements of this subdivision. The commissioner of human services shall provide a copy of the certification to the commissioner of revenue.

The remaining value of class 4(d)(3) property in excess of \$34,000 shall be valued and assessed under subdivision 22 or 23, as appropriate, provided that only the value in excess of \$34,000 but not in excess of \$68,000 is assessed at the rate provided for the first tier of value in subdivision 22 or only the value in excess of \$34,000 but not in excess of \$66,000 is assessed at the rate provided for the first tier of value in subdivision 23.

Class 4d property is assessed at 30 percent of market value has a tax capacity of 1.4 percent of market value.

Sec. 16. Minnesota Statutes 1987 Supplement, section 273.13, subdivision 31, is amended to read:

Subd. 31. [CLASS 5.] All property not included in any other class is class 5 property and is assessed at 96 percent of market value.

(a) Tools, implements, and machinery of an electric generating, transmission, or distribution system or a pipeline system transporting or distributing water, gas, crude oil, or petroleum products or mains and pipes used in the distribution of steam or hot or chilled water for heating or cooling buildings, which are fixtures, have a tax capacity of 4.5 percent of market value.

(b) Unmined iron ore and low-grade iron-bearing formations as defined in section 273.14 have a tax capacity of 5.3 percent of market value.

(c) Vacant land has a tax capacity of 5.3 percent of market value.

(d) All other property not otherwise classified has a tax capacity of 5.3 percent of market value.

Sec. 17. Minnesota Statutes 1987 Supplement, section 273.135, subdivision 2, is amended to read:

Subd. 2. The amount of the reduction authorized by subdivision 1 shall be

(a) In the case of property located within the boundaries of a municipality which meets the qualifications prescribed in section 273.134, 66 percent of the tax, provided that the reduction shall not exceed the maximum amounts specified in clause (c) and shall not exceed an amount sufficient to reduce the effective tax rate on each parcel of property to 95 percent of the base year effective tax rate.

(b) In the case of property located within the boundaries of a school

district which qualifies as a tax relief area but which is outside the boundaries of a municipality which meets the qualifications prescribed in section 273.134, 57 percent of the tax, provided that the reduction shall not exceed the maximum amounts specified in clause (c) *and shall not exceed an amount sufficient to reduce the effective tax rate on each parcel of property to 95 percent of the base year effective tax rate.*

(c) The total maximum reduction of the net tax on property described in clause (a) is \$490 for taxes payable in 1985. The total maximum reduction for the net tax on property described in clause (b) is \$435 for taxes payable in 1985. These maximum amounts shall increase by \$15 per year for taxes payable in 1986 and thereafter.

For the purposes of this subdivision, "tax" means the tax on the property before application of the credit payable under this section and "*effective tax rate*" means tax divided by the market value of the property, and "*base year effective tax rate*" means the tax on the property after the application of the credit payable under this section for taxes payable in 1988, divided by the market value of the property.

Sec. 18. Minnesota Statutes 1987 Supplement, section 273.1391, subdivision 2, is amended to read:

Subd. 2. The amount of the reduction authorized by subdivision 1 shall be:

(a) In the case of property located within a school district which does not meet the qualifications of section 273.134 as a tax relief area, but which is located in a county with a population of less than 100,000 in which taconite is mined or quarried and wherein a school district is located which does meet the qualifications of a tax relief area, and provided that at least 90 percent of the area of the school district which does not meet the qualifications of section 273.134 lies within such county, 57 percent of the tax, provided that the amount of ~~said~~ the reduction shall not exceed the maximum amounts specified in clause (c) *and shall not exceed an amount sufficient to reduce the effective tax rate on each parcel of property to 95 percent of the base year effective tax rate.* The reduction provided by this clause shall only be applicable to property located within the boundaries of the county described therein.

(b) In the case of property located within a school district which does not meet the qualifications of section 273.134 as a tax relief area, but which is located in a school district in a county containing a city of the first class and a qualifying municipality, but not in a school district containing a city of the first class or adjacent to a school district containing a city of the first class unless the school district so adjacent contains a qualifying municipality, 57 percent of the tax, but not to exceed the maximums specified in clause (c) *and not to exceed an amount sufficient to reduce the effective tax rate on each parcel of property to 95 percent of the base year effective tax rate.*

(c) The total maximum reduction of the tax is \$435 for taxes payable in 1985. This total maximum amount shall increase by \$15 per year for taxes payable in 1986 and thereafter.

For the purposes of this subdivision, "tax" means the tax on the property before application of the credit under this section, "*effective tax rate*" means tax divided by the market value of the property, and "*base year effective tax rate*" means the tax on the property after the application of

the credit payable under this section for taxes payable in 1988, divided by the market value of the property.

Sec. 19. Minnesota Statutes 1987 Supplement, section 273.1392, is amended to read:

The amounts of ~~small business transition credit under section 273.1195;~~ disaster or emergency reimbursement under section 273.123; attached machinery aid under section 273.138; ~~homestead credit replacement aid under section 273.1394;~~ agricultural credit replacement aid under section ~~273.1395~~ transition aid and disparity aid under section 273.1398; and metropolitan agricultural preserve reduction under section 473H.10, shall be certified to the department of education by the department of revenue. The amounts so certified shall be paid according to section 124.195, subdivisions 6 and 10.

Sec. 20. Minnesota Statutes 1987 Supplement, section 273.1393, is amended to read:

Notwithstanding any other provisions to the contrary, "net" property taxes are determined by subtracting the credits in the order listed from the gross tax:

- (1) small business property tax transition credit as provided in section 273.1195;
- (2) disaster credit as provided in section 273.123;
- (3) powerline credit as provided in section 273.42;
- (4) agricultural preserves credit as provided in section 473H.10;
- (5) enterprise zone credit as provided in section 469.171;
- (6) ~~state paid homestead credit as provided in section 273.13,~~ subdivision 23;
- ~~(7)~~ taconite homestead credit as provided in section 273.135;
- ~~(8)~~ (7) supplemental homestead credit as provided in section 273.1391.

The combination of all property tax credits must not exceed the gross tax amount.

Sec. 21. [273.1398] [TRANSITION AID AND DISPARITY REDUCTION AID.]

Subdivision 1. [DEFINITIONS.] In this section, the terms defined in this subdivision have the meanings given them.

(a) "Unique taxing jurisdiction" means the geographic area in which the local governments levying taxes under section 275.07 are the same.

(b) "Effective tax rate" is the property tax payable on a parcel in 1988 after reduction for the homestead credit, divided by the property's equalized market value.

(c) "Farm homestead effective tax rate" is the gross taxes reduced by agricultural and homestead credits, if applicable, for all farm homesteads in a unique taxing jurisdiction, divided by the total of the farm homesteads' equalized market values.

(d) "Farm homestead effective tax rate change" means the ratio of the farm homestead effective tax rate for taxes payable in 1988 to the farm

homestead effective tax rate that would be derived by using the 1987 assessment's equalized market values, multiplied by the appropriate tax capacity rates listed in section 273.13.

(e) "Homestead credit maximum" means the maximum possible homestead credit payable within a unique taxing jurisdiction.

(f) "Homestead immediately below the homestead credit maximum" means a nonagricultural homestead receiving \$1 less than the homestead credit maximum within a unique taxing jurisdiction.

(g) "Tax capacity" means the tax capacity computed using the tax rates listed in section 273.13 for all property within the unique taxing jurisdiction based on the January 2, 1987, assessment. The equalized market value utilized shall be reduced by the sum of:

(1) the unique taxing jurisdiction's equalized market value of commercial industrial property as defined in section 473F02, subdivision 3, multiplied by the ratio determined under section 473F08, subdivision 6, for the municipality, as defined in section 473F02, subdivision 8, in which the unique taxing jurisdiction is located; and

(2) the equalized market value of the captured value of tax increment financing districts as defined in section 469.177, subdivision 2.

(h) "Equalized market value" is market value that has been equalized by dividing the assessor's estimated market value by the assessment sales ratios determined by class in the 1987 assessment sales ratio study conducted by the department of revenue under section 124.2131. For computation of aids payable in 1989 only, the assessment sales ratios by class shall be adjusted proportionately so that the overall level of equalization after the computation shall not be greater than the greater of 92 percent or the 1987 aggregate assessment sales ratio.

(i) "Homestead effective rate" means the effective tax rate for taxes payable in 1988 of a homestead immediately below the homestead credit maximum.

Subd. 2. [TRANSITION AID.] (a) Transition aid for each unique taxing jurisdiction for taxes payable in 1989 is:

(1) the total gross tax levied on all properties, except that levied on the captured value of tax increment districts as defined in section 469.177, subdivision 2, and that levied on the portion of commercial industrial properties' assessed value, as defined in section 473F02, subdivision 3, subject to the areawide tax as provided in section 473F08, subdivision 6, in the unique taxing jurisdiction before reduction by the homestead or agricultural credit for taxes payable in 1988; minus

(2) the product of the following factors:

(i) 105.5;

(ii) the homestead effective rate, multiplied by the ratio of what would have been the school foundation and transportation levies within the unique taxing jurisdiction based on the school district's unadjusted 1987 adjusted assessed value to the payable 1988 school foundation and transportation levies within the unique taxing jurisdiction, multiplied by the ratio of the payable 1988 school foundation and transportation levies to the total levy within the unique taxing jurisdiction; and

(iii) the tax capacity.

(b) The transition aid is allocated in proportion to the local government's payable 1988 levies, as adjusted under paragraph (a), within the unique taxing jurisdiction.

(c) A county's transition aid shall be reduced by the estimated difference between:

(1) the calendar year 1989 income maintenance aids payable to the county under article 6 pursuant to the rates in effect for calendar year 1989; and

(2) the calendar year 1989 income maintenance aids that would be payable to the county under article 6 pursuant to the rates in effect for calendar year 1988.

Subd. 3. [ADDITIONAL TRANSITION AID FOR TOWNSHIPS.] (a) A unique taxing jurisdiction containing a township may receive additional transition aid. If:

(1) the total gross tax levied on all properties, except that levied on the captured value of tax increment districts as defined in section 469.177, subdivision 2, and that levied on the portion of commercial industrial properties' assessed value, as defined in section 473F02, subdivision 3, subject to the areawide tax as provided in section 473F08, subdivision 6, in the unique taxing jurisdiction before reduction by the homestead or agricultural credit for taxes payable in 1988; minus

(2) the product of the following factors:

(i) the tax capacity; and

(ii) the farm homestead effective rate change;

is greater than the transition aid calculated under subdivision 2, the amount of the difference is additional transition aid for the unique taxing jurisdiction.

(b) The additional transition aid is first allocated to the township in the amount necessary to reduce its 1988 gross tax as adjusted under paragraph (a) to 12 percent of its tax capacity. Any remainder is allocated as a credit to the unique taxing jurisdiction's taxpayers in the proportion that their 1989 gross tax as adjusted under paragraph (a) bears to the total gross taxes levied, as adjusted under paragraph (a), in the unique taxing jurisdiction.

Subd. 4. [DISPARITY REDUCTION AID.] (a) Local governments exercising tax authority within a unique taxing jurisdiction in which the effective tax rate for a homestead immediately below the homestead credit maximum is greater than one percent for taxes payable in 1988 shall receive disparity reduction aid. For purposes of this subdivision, the effective tax rate will be calculated using total taxes levied exclusive of any school referendum levies authorized under section 124.03, subdivision 2, and any school district debt service levy authorized under section 475.61.

(b) The disparity reduction aid shall be the greater of:

(1) the difference between (i) the total 1988 gross tax levied on all taxable property within the unique taxing jurisdiction as adjusted under subdivision 2, paragraph (a), minus the total transition aids and credits calculated in

subdivisions 2 and 3, and (ii) the tax capacity of the unique taxing jurisdiction based on a 100 percent level of equalization; or

(2) 20 percent of the difference between (i) 23 percent of the city's or township's tax capacity based on a 92 percent level of equalization for aids payable in 1989 only and (ii) its 1988 gross tax as adjusted under subdivision 2, paragraph (a), minus transition aids payable to the city or township pursuant to subdivisions 2 and 3 and the credits, if any, payable to a township's residents under subdivision 3.

(c) The disparity reduction aid is allocated first to the city or township in an amount sufficient to reduce its 1988 gross tax within the unique taxing jurisdiction to 23 percent of tax capacity and then to all special taxing districts, either coterminous or contained wholly within the city or township within the unique taxing jurisdiction and levying taxes payable in 1988 in the proportion that their individual taxes levied bear to their combined taxes levied to reduce their combined gross taxes to four percent of tax capacity. Any remaining disparity reduction aid will be payable directly to taxpayers residing in the unique taxing jurisdiction in the proportion that their 1989 gross tax as adjusted under subdivision 2, paragraph (a), bears to the total gross taxes levied, as adjusted under subdivision 2, paragraph (a), in the unique taxing jurisdiction. The amount of credit and the credit payable under subdivision 3, paragraph (b), will be increased by five percent and certified by the department of revenue to the county auditor who will proportionately reduce the payable 1989 taxes of the school district and county levying taxes in the unique taxing jurisdiction accordingly. The amount of the credit shall be reimbursed to the county and school district. The credit reimbursement will be payable at the same time as the aid payments made under subdivision 5.

Subd. 4a. Cities with a population greater than 2,500 and less than 35,000 according to the 1980 decennial census which are adjacent to cities in another state or immediately adjacent to a city adjacent to a city in another state shall receive additional disparity reduction aid if the adjacent city in the other state has a population of greater than 5,000 and less than 75,000. The aid shall be a sum sufficient to reduce the total taxes levied on class 4a property to three percent of the property's market value and the tax on class 3a property to 3.3 percent of market value. The county auditor shall proportionately reduce each local government's tax capacity rate applied to class 4a so as to reduce each class 4a property's tax to three percent of market value and shall proportionately reduce each local government's tax capacity rate applied to class 3a property so as to reduce each class 3a property's tax to 3.3 percent of market value.

Subd. 4b. The county auditor shall annually certify the cost of the additional disparity reduction aid resulting from the provision of subdivision 4a to the department of revenue. Payment of the aid to the affected taxing jurisdictions will be made pursuant to subdivision 5.

Subd. 5. [PAYMENT.] The commissioner shall certify and pay the aids provided in this section at the times provided in sections 477A.014 and 477A.015 for certification and payment of local government aid to other taxing jurisdictions. Aids to school districts must be certified to the commissioner of education and paid under section 273.1392. Payment shall not be made to any taxing jurisdiction that has ceased to levy a property tax.

Subd. 6. [APPROPRIATION.] An amount sufficient to pay the aids provided under this section is annually appropriated from the general fund to the commissioner of revenue.

Sec. 22. Minnesota Statutes 1986, section 275.07, is amended by adding a subdivision to read:

Subd. 3. For taxes payable in 1989, a city's or township's levy shall be certified in the following separately stated amounts:

(1) the product of:

(i) the amount of the positive difference, if any, of (A) the percentage increase in the sum of a city's or township's levy plus aids received under chapter 477A for 1989 over the prior year's sum of the same amounts minus (B) the percentage increase in the city's or township's 1989 aid amount received under chapter 477A over the city's or township's 1988 aid multiplied by

(ii) the city's or township's levy; and

(2) the remainder of the city's or township's levy.

Sec. 23. Minnesota Statutes 1986, section 275.08, is amended by adding a subdivision to read:

Subd. 1a. The county auditor shall annually compute the tax capacity for each parcel according to its tax capacity rates in section 273.13. The tax capacity will be the tax capacity rate multiplied by the parcel's market value.

Sec. 24. Minnesota Statutes 1986, section 275.08, is amended by adding a subdivision to read:

Subd. 1c. The amounts certified under section 275.07 by an individual local government unit shall be divided by the total tax capacity of all taxable properties within the local government unit's taxing jurisdiction. The resulting ratio, the local government's tax capacity rate, multiplied by each property's tax capacity shall be each property's total tax for that local government unit.

Sec. 25. Minnesota Statutes 1987 Supplement, section 276.04, is amended to read:

276.04 [NOTICE OF RATES; PROPERTY TAX STATEMENTS.]

Subdivision 1. [AUDITOR TO PUBLISH RATES.] On receiving the tax lists from the county auditor, the county treasurer shall, if directed by the county board, give three weeks' published notice in a newspaper specifying the rates of taxation for all general purposes and the amounts raised for each specific purpose.

Subd. 2. [CONTENTS OF TAX STATEMENTS.] (a) The treasurer shall, whether or not directed by the county board, cause to be printed on all tax statements, or on an attachment, a tabulated statement of the dollar amount due to each taxing authority from the parcel of real property for which a particular tax statement is prepared. The dollar amounts due the county, township or municipality and school district shall must be separately stated but the amount listed for the dollar amount due the city or township shall be net of the amount due the city or township for the levy certified under section 275.07, subdivision 3, clause (1), and the amount listed for the dollar amount due the school district shall be net of the amount due the

school district for a referendum levy authorized under section 124A.03, subdivision 2, and for debt levies authorized under section 475.61. The amounts due other taxing districts, if any, may be aggregated. The dollar amounts, including the dollar amount of any special assessments, may be rounded to the nearest even whole dollar. For purposes of this section whole odd-numbered dollars may be adjusted to the next higher even-numbered dollar. The statement shall include the following sentence, printed in upper case letters in boldface print: "THE STATE OF MINNESOTA DOES NOT RECEIVE ANY PROPERTY TAX REVENUES. THE STATE OF MINNESOTA REDUCES YOUR PROPERTY TAX BY PAYING CREDITS AND REIMBURSEMENTS TO LOCAL UNITS OF GOVERNMENT."

(b) The property tax statements for manufactured homes and sectional structures taxed as personal property shall contain the same information that is required on the tax statements for real property.

(c) Real and personal property tax statements must contain (1) the property's market value, as defined in section 272.03, subdivision 8, (2) the tax capacity rate applicable to the property's classification under section 273.13, and the product of (1) and (2), property's initial tax. The statement must also show the decrease in tax attributable to that portion of the sum of the following aids attributable to the property as "state paid tax relief": (i) general education revenue under section 124A.23, (ii) local government aid for cities, towns, and counties under chapter 477A, (iii) transitional aid and disparity reduction aid paid under section 273.1398, and (iv) income maintenance aids.

If the total tax itemized by jurisdiction and net of the amounts indicated above is greater than the initial tax, then the difference, if any, plus the dollar amount due the city or township for the levy certified under section 275.07, subdivision 3, clause (1), and the dollar amount due the school district for a referendum levy authorized under section 124A.03, subdivision 2, and debt levies authorized under section 475.61 shall be set forth on the statement as "Local Government Taxes in Excess of State Limitations."

Subd. 3. [MAILING OF TAX STATEMENTS.] The county treasurer shall mail to taxpayers statements of their personal property taxes due; ~~such statements to be mailed~~ not later than February 15, except in the case of manufactured homes and sectional structures taxed as personal property. Statements of the real property taxes due shall be mailed not later than January 31; ~~provided, that~~. The validity of the tax shall not be affected by failure of the treasurer to mail ~~such~~ the statement. The taxpayer is defined as the owner who is responsible for the payment of the tax. ~~Such real and personal property tax statements shall contain the market value, as defined in section 272.03, subdivision 8, used in determining the tax. The statement shall show the amount attributable to the decrease in tax under section 275.082 attributable to Minnesota Statutes 1986, section 124.2137 as "state paid agricultural credit amount" and the amount attributable to the decrease in tax under section 275.082 attributable to Minnesota Statutes 1986, section 273.13, subdivisions 22 and 23 as "state paid homestead credit amount."~~ The statement must state the amount deducted under section 273.1195 and identify it as "state paid small business transition credit."

Subd. 4. [COLLECTION SITE.] If so directed by the county board, the treasurer shall visit places in the county as the treasurer deems expedient for the purpose of receiving taxes and the county board is authorized to pay the expenses of such visits and of preparing duplicate tax lists. Failure

to mail the tax statement shall not be deemed a material defect to affect the validity of any judgment and sale for delinquent taxes.

Sec. 26. Minnesota Statutes 1986, section 276.06, is amended to read:

276.06 [TAX STATEMENTS TO STATE APPORTIONMENT OF TAXES.]

The treasurer of each county may cause to be printed, stamped, or written on the back of all current tax statements, or on a separate sheet or card to be furnished with the statements, a statement showing the ~~number of mills~~ *tax capacity rate* of the current tax apportioned to the state, county, city, town, or school district.

Sec. 27. Minnesota Statutes 1987 Supplement, section 469.177, subdivision 7, is amended to read:

Subd. 7. [PROPERTY CLASSIFICATION CHANGES.] When any law governing the classification of real property and determining the percentage of market value to be assessed for ad valorem taxation purposes is amended, the increase or decrease in assessed valuation resulting therefrom shall be applied proportionately to original assessed value and captured assessed value of any tax increment financing district in each year thereafter. This subdivision applies to tax increment districts created pursuant to sections 469.174 to 469.178 or any prior tax increment law. *No adjustment shall be made under this subdivision as a result of the change from a system of property taxation based on assessed values to a system based on tax capacity under this act.*

Sec. 28. [TAX INCREMENT ADJUSTMENT.]

The county auditor shall determine a tax increment district's original tax capacity by multiplying the district's market values by class in the year of original certification or year of certification for any modification, as the case may be, by the tax capacity rates in section 273.13. The original tax capacity of an economic development district shall also be inflated to reflect the annual adjustment required by section 469.177 for prior years. The original tax capacities of the districts under this section shall be certified to authorities by July 1, 1988.

Sec. 29. Minnesota Statutes 1987 Supplement, section 473.446, subdivision 1, is amended to read:

Subdivision 1. [TAXATION WITHIN TRANSIT TAXING DISTRICT.] For the purposes of sections 473.401 to 473.451 and the metropolitan transit system, except as otherwise provided in this subdivision the regional transit board shall levy each year upon all taxable property within the metropolitan transit taxing district, defined in subdivision 2, a transit tax consisting of:

(a) an amount up to two mills times the assessed value of all such property, based upon the level of transit service provided for the property, the proceeds of which shall be used for payment of the expenses of operating transit and paratransit service and to provide for payment of obligations issued by the commission under section 473.436, subdivision 6;

(b) an additional amount, if any, as the board determines to be necessary to provide for the full and timely payment of its certificates of indebtedness and other obligations outstanding on July 1, 1985, to which property taxes under this section have been pledged; and

(c) an additional amount necessary to provide full and timely payment of certificates of indebtedness, bonds, including refunding bonds or other

obligations issued or to be issued under section 473.39 by the council for purposes of acquisition and betterment of property and other improvements of a capital nature and to which the council or board has specifically pledged tax levies under this clause.

The county auditor shall reduce the tax levied pursuant to this subdivision on all property within statutory and home rule charter cities and towns that receive full peak service and limited off-peak service by an amount equal to the tax levy that would be produced by applying a rate of 0.5 mills on the property. The county auditor shall reduce the tax levied pursuant to this subdivision on all property within statutory and home rule charter cities and towns that receive limited peak service by an amount equal to the tax levy that would be produced by applying a rate of 0.75 mills on the property. The amounts so computed by the county auditor shall be submitted to the commissioner of revenue as part of the abstracts of tax lists required to be filed with the commissioner under section 275.29. Any prior year adjustments shall also be certified in the abstracts of tax lists. The commissioner shall review the certifications to determine their accuracy and may make changes in the certification as necessary or return a certification to the county auditor for corrections. The commissioner shall pay to the regional transit board the amounts certified by the county auditors on the dates provided in section ~~273.1394~~ 273.1398. There is annually appropriated from the general fund in the state treasury to the department of revenue the amounts necessary to make these payments in fiscal year 1987 and thereafter.

For the purposes of this subdivision, "full peak and limited off-peak service" means peak period regular route service, plus weekday midday regular route service at intervals longer than 60 minutes on the route with the greatest frequency; and "limited peak period service" means peak period regular route service only.

Sec. 30. Minnesota Statutes 1986, section 473F02, is amended by adding a subdivision to read:

Subd. 23. "Tax capacity" means the market value of real and personal property multiplied by its tax capacity rates in section 273.13.

Sec. 31. Minnesota Statutes 1987 Supplement, section 473F05, is amended to read:

473F05 [ASSESSSED VALUATION TAX CAPACITY; ~~1972~~ 1988 AND SUBSEQUENT YEARS.]

On or before November 20 of ~~1972~~ 1988 and each subsequent year, the assessors within each county in the area shall determine and certify to the county auditor the ~~assessed valuation tax capacity~~ in that year of commercial-industrial property subject to taxation within each municipality in the county, determined without regard to section 469.177, subdivision 3.

Sec. 32. Minnesota Statutes 1987 Supplement, section 473F06, is amended to read:

473F06 [INCREASE IN ASSESSED VALUATION TAX CAPACITY.]

On or before September 1 of 1976 and each subsequent year, the auditor of each county in the area shall determine the amount, if any, by which the ~~assessed valuation tax capacity~~ determined in the preceding year pursuant to section 473F05, of commercial-industrial property subject to taxation within each municipality in the auditor's county exceeds the ~~assessed~~

~~valuation tax capacity~~ in 1971 of commercial-industrial property subject to taxation within that municipality. If a municipality is located in two or more counties within the area, the auditors of those counties shall certify the data required by section 473F05 to the county auditor who is responsible under other provisions of law for allocating the levies of that municipality between or among the affected counties. That county auditor shall determine the amount of the net excess, if any, for the municipality under this section, and certify that amount under section 473F07. Notwithstanding any other provision of sections 473F01 to 473F13 to the contrary, in the case of a municipality which is designated on July 24, 1971, as a redevelopment area pursuant to section 401(a)(4) of the Public Works and Economic Development Act of 1965, Public Law Number 89-136, the increase in its ~~assessed valuation tax capacity~~ of commercial-industrial property for purposes of this section shall be determined in each year subsequent to the termination of such designation by using as a base the ~~assessed valuation tax capacity~~ of commercial-industrial property in that municipality in the year following that in which such designation is terminated, rather than the ~~assessed valuation tax capacity~~ of such property in 1971. The increase in ~~assessed valuation tax capacity~~ determined by this section shall be reduced by the amount of any decreases in the ~~assessed valuation tax capacity~~ of commercial-industrial property resulting from any court decisions, court related stipulation agreements, or abatements for a prior year, and only in the amount of such decreases made during the 12-month period ending on June 30 of the current assessment year, where such decreases, if originally reflected in the determination of a prior year's ~~valuation tax capacity~~ under section 473F05, would have resulted in a smaller contribution from the municipality in that year. An adjustment for such decreases shall be made only if the municipality made a contribution in a prior year based on the higher ~~valuation tax capacity~~ of the commercial-industrial property.

Sec. 33. Minnesota Statutes 1987 Supplement, section 473F07, subdivision 1, is amended to read:

Subdivision 1. Each county auditor shall certify the determinations pursuant to sections 473F05 and 473F06 to the administrative auditor on or before November 20 of each year. The administrative auditor shall determine the sum of the amounts certified pursuant to section 473F06, and divide that sum by 2-1/2. The resulting amount shall be known as the "areawide tax ~~base capacity~~ for (year)."

Sec. 34. Minnesota Statutes 1986, section 473F07, subdivision 4, is amended to read:

Subd. 4. The administrative auditor shall determine the proportion which the index of each municipality bears to the sum of the indices of all municipalities and shall then multiply this proportion in the case of each municipality, by the areawide tax ~~base capacity~~.

Sec. 35. Minnesota Statutes 1986, section 473F07, subdivision 5, is amended to read:

Subd. 5. The product of the multiplication prescribed by subdivision 4 shall be known as the "areawide tax ~~base capacity~~ for (year) attributable to (municipality)." The administrative auditor shall certify such product to the auditor of the county in which the municipality is located on or before November 25.

Sec. 36. Minnesota Statutes 1986, section 473F08, subdivision 1, is amended to read:

Subdivision 1. The county auditor shall determine the taxable ~~value~~ *capacity* of each governmental unit within the auditor's county in the manner prescribed by this section.

Sec. 37. Minnesota Statutes 1987 Supplement, section 473F08, subdivision 2, is amended to read:

Subd. 2. The ~~taxable value~~ *tax capacity* of a governmental unit is its ~~assessed valuation~~ *tax capacity*, as determined in accordance with other provisions of law including section 469.177, subdivision 3, subject to the following adjustments:

(a) There shall be subtracted from its ~~assessed valuation~~ *tax capacity*, in each municipality in which the governmental unit exercises ad valorem taxing jurisdiction, an amount which bears the same proportion to 40 percent of the amount certified in that year pursuant to section 473F06 in respect to that municipality as the total preceding year's ~~assessed valuation~~ *tax capacity* of commercial-industrial property which is subject to the taxing jurisdiction of the governmental unit within the municipality, determined without regard to section 469.177, subdivision 3, bears to the total preceding year's ~~assessed valuation~~ *tax capacity* of commercial-industrial property within the municipality, determined without regard to section 469.177, subdivision 3;

(b) There shall be added to its ~~assessed valuation~~ *tax capacity*, in each municipality in which the governmental unit exercises ad valorem taxing jurisdiction, an amount which bears the same proportion to the areawide ~~base~~ *tax capacity* for the year attributable to that municipality as the total preceding year's ~~assessed valuation~~ *tax capacity* of residential property which is subject to the taxing jurisdiction of the governmental unit within the municipality bears to the total preceding year's ~~assessed valuation~~ *tax capacity* of residential property of the municipality.

Sec. 38. Minnesota Statutes 1986, section 473F08, subdivision 3, is amended to read:

Subd. 3. On or before October 15 of 1976 and each subsequent year, the county auditor shall apportion the levy of each governmental unit in the auditor's county in the manner prescribed by this subdivision. The auditor shall:

(a) Determine the areawide portion of the levy for each governmental unit by multiplying the ~~nonagricultural mill rate~~ *tax capacity rate* of the governmental unit for the preceding levy year times the distribution value set forth in subdivision 2, clause (b); and

(b) Determine the local portion of the current year's levy by subtracting the resulting amount from clause (a) from the governmental unit's current year's levy.

Sec. 39. Minnesota Statutes 1986, section 473F08, subdivision 3a, is amended to read:

Subd. 3a. Beginning in 1987 and each subsequent year through 1998, the city of Bloomington shall determine the interest payments for that year for the bonds which have been sold for the highway improvements pursuant to Laws 1986, chapter 391, section 2, paragraph (g). Effective for property taxes payable in 1988 through property taxes payable in 1999, after the Hennepin

county auditor has computed the areawide portion of the levy for the city of Bloomington pursuant to subdivision 3, clause (a), the auditor shall annually add a dollar amount to the city of Bloomington's areawide portion of the levy equal to the amount which has been certified to the auditor by the city of Bloomington for the interest payments for that year for the bonds which were sold for highway improvements. The total areawide portion of the levy for the city of Bloomington including the additional amount for interest repayment certified pursuant to this subdivision shall be certified by the Hennepin county auditor to the administrative auditor pursuant to subdivision 5. The Hennepin county auditor shall distribute to the city of Bloomington the additional areawide portion of the levy computed pursuant to this subdivision at the same time that payments are made to the other counties pursuant to subdivision 7a. This additional areawide portion of the levy which is distributed to the city of Bloomington shall be exempt from the city's levy limit provisions contained in sections 275.50 to 275.56. For property taxes payable from the year 2000 through 2009, the Hennepin county auditor shall adjust Bloomington's contribution to the areawide tax base capacity upward each year by a value equal to ten percent of the total additional areawide levy distributed to Bloomington under this subdivision from 1988 to 1999, divided by the areawide mill rate tax capacity rate for taxes payable in the previous year.

Sec. 40. Minnesota Statutes 1987 Supplement, section 473F08, subdivision 4, is amended to read:

Subd. 4. In 1972 and subsequent years, the county auditor shall divide that portion of the levy determined pursuant to subdivision 3, clause (b), by the assessed valuation tax capacity of the governmental unit, taking section 469.177, subdivision 3, into account, less that portion subtracted from assessed valuation tax capacity pursuant to subdivision 2, clause (a). The resulting rate shall apply to all taxable property except commercial-industrial property, which shall be taxed in accordance with subdivision 6.

Sec. 41. Minnesota Statutes 1986, section 473F08, subdivision 5, is amended to read:

Subd. 5. On or before November 30 of 1972 and each subsequent year, the county auditor shall certify to the administrative auditor that portion of the levy of each governmental unit determined pursuant to subdivision 3, clause (a). The administrative auditor shall then determine the rate of taxation tax capacity rate sufficient to yield an amount equal to the sum of such levies from the areawide tax base capacity. On or before December 5 the administrative auditor shall certify said rate to each of the county auditors.

Sec. 42. Minnesota Statutes 1987 Supplement, section 473F08, subdivision 6, is amended to read:

Subd. 6. The rate of taxation determined in accordance with subdivision 5 shall apply in the taxation of each item of commercial-industrial property subject to taxation within a municipality, including property located within any tax increment financing district, as defined in section 469.174, subdivision 9, to that portion of the assessed valuation tax capacity of the item which bears the same proportion to its total assessed valuation tax capacity as 40 percent of the amount determined pursuant to section 473F06 in respect to the municipality in which the property is taxable bears to the

amount determined pursuant to section 473F05. The rate of taxation determined in accordance with subdivision 4 shall apply in the taxation of the remainder of the ~~assessed valuation tax capacity~~ of the item.

Sec. 43. Minnesota Statutes 1986, section 473F08, subdivision 10, is amended to read:

Subd. 10. For the purpose of computing the amount or rate of any salary, aid, tax, or debt authorized, required, or limited by any provision of any law or charter, where such authorization, requirement, or limitation is related in any manner to any value or valuation of taxable property within any governmental unit, such value or ~~valuation tax capacity~~ shall be adjusted to reflect the adjustments to ~~valuation tax capacity~~ effected by subdivision 2, provided that: (1) in determining the market value of commercial-industrial property or any class thereof within a governmental unit for any purpose other than section 473F07, (a) the reduction required by this subdivision shall be that amount which bears the same proportion to the amount subtracted from the governmental unit's ~~assessed valuation tax capacity~~ pursuant to subdivision 2, clause (a), as the market value of commercial-industrial property, or such class thereof, located within the governmental unit bears to the ~~assessed valuation tax capacity~~ of commercial-industrial property, or such class thereof, located within the governmental unit, and (b) the increase required by this subdivision shall be that amount which bears the same proportion to the amount added to the governmental unit's ~~assessed valuation tax capacity~~ pursuant to subdivision 2, clause (b), as the market value of commercial-industrial property, or such class thereof, located within the governmental unit bears to the ~~assessed valuation tax capacity~~ of commercial-industrial property, or such class thereof, located within the governmental unit; and (2) in determining the market value of real property within a municipality for purposes of section 473F07, the adjustment prescribed by clause (1) (a) hereof shall be made and that prescribed by clause (1) (b) hereof shall not be made.

Sec. 44. Minnesota Statutes 1986, section 473F10, is amended to read:

473F10 [REASSESSMENTS AND OMITTED PROPERTY.]

Subdivision 1. If the commissioner of revenue orders a reassessment of all or any portion of the property in a municipality other than in the form of a mathematically prescribed adjustment of valuation, or if omitted property is placed upon the tax rolls, and the reassessment has not been completed or the property placed upon the rolls, as the case may be, by November 15, the ~~assessed valuation tax capacity~~ of the affected property shall, for purposes of sections 473F03 to 473F08, be determined from the abstracts filed by the county auditor with the commissioner of revenue.

Subd. 2. If the reassessment, when completed and incorporated in the commissioner of revenue's certification of the ~~assessed valuation tax capacity~~ of the municipality, or the listing of omitted property, when placed on the rolls, results in an increase in the ~~assessed valuation tax capacity~~ of commercial-industrial property in the municipality which differs from that used, pursuant to subdivision 1, for purposes of sections 473F03 to 473F08, the increase in the ~~assessed valuation tax capacity~~ of commercial-industrial property in that municipality in the succeeding year, as otherwise computed under section 473F06, shall be adjusted in a like amount, by an increase if the reassessment or listing discloses a larger increase than was used for purposes of sections 473F03 to 473F08, or by a decrease if the reassessment or listing discloses a smaller increase than was used for those purposes,

provided that no adjustment shall reduce the amount determined under section 473F06 to an amount less than zero.

Subd. 3. Subdivisions 1 and 2 shall not apply to the determination of the tax rate under section 473F08, subdivision 4, or to the determination of the ~~assessed valuation~~ tax capacity of commercial-industrial property and each item thereof for purposes of section 473F08, subdivision 6.

Sec. 45. [FISCAL DISPARITIES ADJUSTMENT.]

For purposes of determining the areawide levy and local levies under section 473F08, subdivisions 3, 4, 5, and 6, for taxes payable in 1989, the initial computation shall be done based on chapter 473F as codified in Minnesota Statutes 1986 and Minnesota Statutes 1987 Supplement. However, after the dollar amount of the areawide and local levies has been determined under section 473F08, subdivisions 3, 4, 5, and 6, the dollar amount of the levies shall be spread on the basis of this act. The dollar amount of the areawide tax shall be levied against the portion of commercial-industrial tax capacity equal to the portion of commercial-industrial assessed value that would have been subject to the areawide tax under Minnesota Statutes 1986. Prior to November 20, 1988, the county auditors with the assistance of the county assessors shall determine the tax capacity of commercial-industrial property in each municipality as of the January 2, 1971, assessment. The tax capacity shall be computed by multiplying the municipality's market value of commercial-industrial assessed value by class by the tax capacity rates in section 273.13.

Sec. 46. Minnesota Statutes 1986, section 477A.011, subdivision 3, is amended to read:

Subd. 3. [POPULATION.] Population means the population established by the most recent federal census, ~~by a special census conducted under contract with the United States Bureau of the Census, by a population estimate made by the metropolitan council, or by a population estimate of the state demographer made pursuant to section 116K.04, subdivision 4, clause (10), whichever is the most recent as to the stated date of the count or estimate.~~ The term "per capita" refers to population as defined by this subdivision.

Sec. 47. Minnesota Statutes 1986, section 477A.011, subdivision 3a, is amended to read:

Subd. 3a. [NUMBER OF HOUSEHOLDS.] Number of households means the number of households established by the most recent federal census, ~~by a special census conducted under contract with the United States bureau of the census, by an estimate made by the metropolitan council, or by an estimate of the state demographer made pursuant to section 116K.04, subdivision 4, whichever is the most recent as to the stated date of the count or estimate.~~

Sec. 48. Minnesota Statutes 1986, section 477A.011, is amended by adding a subdivision to read:

Subd. 15. [CITY REVENUE PER HOUSEHOLD.] "City revenue per household" equals the sum of the city's 1988 aid payable under Minnesota Statutes 1986, section 477A.013, and its levy for taxes payable in 1988.

Sec. 49. Minnesota Statutes 1986, section 477A.011, is amended by adding a subdivision to read:

Subd. 16. [CITY REVENUE.] "City revenue" equals city revenue per household multiplied by the number of households.

Sec. 50. Minnesota Statutes 1986, section 477A.011, is amended by adding a subdivision to read:

Subd. 17. [BASE REVENUE GUARANTEE. "Base revenue guarantee" is the sum of (1) \$160 per household plus (2) (i) \$150 multiplied by (ii) the base ten logarithm of a city's number of households minus one.

Sec. 51. Minnesota Statutes 1986, section 477A.011, is amended by adding a subdivision to read:

Subd. 18. [REVENUE GUARANTEE INCREASE.] "Revenue guarantee increase" is the sum of:

(1) \$190 per household for cities of the first class located in the metropolitan area and \$190 per household for cities located outside the metropolitan area; and

(2) 15 percent of a city's base revenue guarantee for cities in which the population has declined since the state demographer's estimate for the third year preceding the most recent estimate.

Sec. 52. Minnesota Statutes 1986, section 477A.011, is amended by adding a subdivision to read:

Subd. 19. [CITY REVENUE GUARANTEE.] "City revenue guarantee" is the product of:

(1) the sum of a city's base revenue guarantee and the city's revenue guarantee increase;

(2) the number of households in the city; and

(3) 108 percent.

Sec. 53. Minnesota Statutes 1986, section 477A.011, is amended by adding a subdivision to read:

Subd. 20. [METROPOLITAN AREA.] "Metropolitan area" is the metropolitan area as defined in section 473.121, subdivision 2.

Sec. 54. Minnesota Statutes 1986, section 477A.011, is amended by adding a subdivision to read:

Subd. 21. [CITY TAX CAPACITY.] "City tax capacity" means (1) 23 percent of the tax capacity computed using the tax capacity rates listed in section 273.13 for all taxable property within the city based on the January 2, 1987, assessment, plus (2) a city's levy on the fiscal disparities distribution under section 473F08, subdivision 3, paragraph (a), for taxes payable in 1988. The market value utilized shall be reduced by the sum of (1) a city's market value of commercial industrial property as defined in section 473E02, subdivision 3, multiplied by the ratio determined pursuant to section 473F08, subdivision 2, paragraph (a), and (2) the market value of the captured value of tax increment financing districts as defined in section 469.177, subdivision 2. The tax capacity will be computed using market values that have been equalized by dividing the assessor's estimated market value by the assessment sales ratios determined by class in the 1987 assessment sales ratio study conducted by the department of revenue under section 124.2131.

Sec. 55. Minnesota Statutes 1986, section 477A.011, is amended by

adding a subdivision to read:

Subd. 22. [CITY INITIAL AID.] "Initial aid" for a city is its city revenue guarantee minus its tax capacity.

Sec. 56. Minnesota Statutes 1986, section 477A.011, is amended by adding a subdivision to read:

Subd. 23. [CITY EXPENDITURE/UNLIMITED AID RATIO.] "Expenditure/unlimited aid ratio" for a city is the ratio of a city's levy plus local government aids received under Minnesota Statutes 1986, section 477A.013, for calendar year 1988 to its city revenue guarantee.

Sec. 57. Minnesota Statutes 1986, section 477A.011, is amended by adding a subdivision to read:

Subd. 24. [COUNTY REVENUE PER HOUSEHOLD.] "County revenue per household" equals the sum of (1) the county's 1988 aid payable under Minnesota Statutes 1986, section 477A.012, subdivision 1, and (2) its levy for taxes payable in 1988 less any amount levied for income maintenance programs.

Sec. 58. Minnesota Statutes 1986, section 477A.011, is amended by adding a subdivision to read:

Subd. 25. [COUNTY REVENUE.] "County revenue" equals county revenue per household multiplied by the number of households.

Sec. 59. Minnesota Statutes 1986, section 477A.011, is amended by adding a subdivision to read:

Subd. 26. [COUNTY REVENUE GUARANTEE PER HOUSEHOLD.] "County revenue guarantee per household" for counties wholly outside the metropolitan area is the sum of:

(1) \$440;

(2) .4 percent of the county's exempt market value per household;

(3) \$45 for counties within or immediately adjacent to a county containing a metropolitan statistical area; and

(4) \$440,000 multiplied by a fraction having a numerator of one and a denominator of the number of households in the county.

"County revenue guarantee per household" for counties within the metropolitan area is the sum of:

(1) \$450; and

(2) \$3,475,000 multiplied by a fraction having a numerator of one and a denominator of the number of households in the county.

Sec. 60. Minnesota Statutes 1986, section 477A.011, is amended by adding a subdivision to read:

Subd. 27. [COUNTY REVENUE GUARANTEE.] "County revenue guarantee" is the county revenue guarantee per household multiplied by the number of households in the county.

Sec. 61. Minnesota Statutes 1986, section 477A.011, is amended by adding a subdivision to read:

Subd. 28. [COUNTY TAX CAPACITY.] "County tax capacity" means:

(1) 28 percent of the tax capacity computed using the tax capacity rates listed in section 273.13 for all taxable property within the county based on the January 2, 1987, assessment, plus

(2) a county's levy on the fiscal disparities distribution under section 473F08, subdivision 3, paragraph (a), for taxes payable in 1988.

The market value utilized shall be reduced by the sum of:

(1) the county's market value of commercial industrial property as defined in section 473F02, subdivision 3, multiplied by the ratio determined under section 473F08, subdivision 2, paragraph (a); and

(2) the market value of the captured value of tax increment financing districts as defined in section 469.177, subdivision 2.

The initial tax will be computed using market values that have been equalized by dividing the assessor's estimated market value by the assessment sales ratios determined by class in the 1987 assessment sales ratio study conducted by the department of revenue under section 124.2131.

Sec. 62. Minnesota Statutes 1986, section 477A.011, is amended by adding a subdivision to read:

Subd. 29. [COUNTY INITIAL AID.] "Initial aid" for a county is its county revenue guarantee minus its tax capacity.

Sec. 63. Minnesota Statutes 1986, section 477A.011, is amended by adding a subdivision to read:

Subd. 30. [COUNTY EXPENDITURE/UNLIMITED AID RATIO.] "Expenditure/unlimited aid ratio" for a county is the ratio of a county's levy less any amounts levied for income maintenance programs plus local government aids received under Minnesota Statutes 1986, section 477A.012, for calendar year 1988 to its county revenue guarantee.

Sec. 64. Minnesota Statutes 1987 Supplement, section 477A.012, subdivision 1, is amended to read:

Subdivision 1. [AID AMOUNT.] In calendar year 1988 ~~and calendar years thereafter~~, each county government shall receive a distribution equal to the aid amount certified for 1987 pursuant to this subdivision.

Sec. 65. Minnesota Statutes 1986, section 477A.012, is amended by adding a subdivision to read:

Subd. 3. [1989 DISTRIBUTION.] In 1989, a county will receive the following aid increases, in addition to an amount equal to the local government aid it received in 1988 under Minnesota Statutes 1987 Supplement, section 477A.012:

(1) for a county whose initial aid is \$0, one percent of its 1988 local government aids;

(2) for a county whose expenditure/unlimited aid ratio is at least two, one percent of county revenue;

(3) for a county whose expenditure/unlimited aid ratio is at least 1.5 but less than two, 1.5 percent of county revenue;

(4) for a county whose expenditure/unlimited aid ratio is at least 1.25 but less than 1.5, two percent of county revenue;

(5) for a county whose expenditure/unlimited aid ratio is at least one but less than 1.25, 2.5 percent of county revenue;

(6) for a county whose expenditure/unlimited aid ratio is at least .75 but less than one, three percent of county revenue;

(7) for a county whose expenditure/unlimited aid ratio is at least .5 but less than .75, 3.5 percent of county revenue;

(8) for a county whose expenditure/unlimited aid ratio is at least .25 but less than .5, four percent of county revenue; and

(9) for a county whose expenditure/unlimited aid ratio is less than .25, five percent of county revenue.

In no case will a county receive an increase of less than one percent of its 1988 local government aid.

A county's aid increase under this subdivision is limited to the lesser of (1) 20 percent of its levy for taxes payable in 1988, or (2) its initial aid amount.

Sec. 66. Minnesota Statutes 1987 Supplement, section 477A.013, subdivision 1, is amended to read:

Subdivision 1. [TOWNS.] In calendar year 1988 ~~and calendar years thereafter~~, each town which had levied for taxes payable in the previous year at least one mill on the dollar of the assessed value of the town shall receive a distribution equal to the greater of: (a) 60 percent of the amount received in 1983 pursuant to Minnesota Statutes 1982, sections 273.138, 273.139, and 477A.011 to 477A.03; or (b) the amount certified in 1987 pursuant to sections 477A.011 to 477A.03. *In calendar year 1989, each town that had levied for taxes payable in 1988 at least one mill on the dollar of the assessed value of the town shall receive a distribution equal to 106 percent of the distribution received under Minnesota Statutes 1987 Supplement, section 477A.013, subdivision 1, in 1988.*

Sec. 67. Minnesota Statutes 1987 Supplement, section 477A.013, subdivision 2, is amended to read:

Subd. 2. [CITIES.] In calendar year 1988 ~~and calendar years thereafter~~, each city shall receive a local government aid distribution equal to the amount that the city was certified to receive for calendar year 1987 under this subdivision.

Sec. 68. Minnesota Statutes 1986, section 477A.013, is amended by adding a subdivision to read:

Subd. 3. [1989 CITY DISTRIBUTION.] *In 1989, a city will receive the following aid increases in addition to an amount equal to the local government aid it received in 1988 under Minnesota Statutes 1987 Supplement, section 477A.013:*

(1) for a city whose initial aid is \$0, two percent of its 1988 local government aids;

(2) for a city whose expenditure/unlimited aid ratio is at least 1.5, two percent of city revenue;

(3) for a city whose expenditure/unlimited aid ratio is at least 1.4 but less than 1.5, 2.5 percent of city revenue;

(4) for a city whose expenditure/unlimited aid ratio is at least 1.3 but

less than 1.4, three percent of city revenue;

(5) for a city whose expenditure/unlimited aid ratio is at least 1.2 but less than 1.3, four percent of city revenue;

(6) for a city whose expenditure/unlimited aid ratio is at least 1.1 but less than 1.2, five percent of city revenue;

(7) for a city whose expenditure/unlimited aid ratio is at least 1.05 but less than 1.1, six percent of city revenue;

(8) for a city whose expenditure/unlimited aid ratio is at least 1.0 but less than 1.05, seven percent of city revenue;

(9) for a city whose expenditure/unlimited aid ratio is at least .95 but less than 1.0, 7.5 percent of city revenue;

(10) for a city whose expenditure/unlimited aid ratio is at least .75 but less than .95, 8.5 percent of city revenue; and

(11) for a city whose expenditure/unlimited aid ratio is less than .75, nine percent of city revenue.

A city's aid increase under this subdivision is limited to the lesser of (1) 20 percent of its levy for taxes payable in 1988, or (2) its initial aid amount.

Sec. 69. [APPROPRIATION.]

There is appropriated from the general fund to the commissioner of revenue the amount necessary to make the payments required in sections 65, 66, and 68.

Sec. 70. [REPEALER.]

Minnesota Statutes 1986, sections 273.13, subdivision 30; 477A.011, subdivisions 4, 5, 6, 7a, 10, 11, 12, 13, and 14; and Minnesota Statutes 1987 Supplement, sections 273.1102, subdivision 2; 273.13, subdivisions 9 and 15a; 273.1394; 273.1395; 273.1396; 275.081; 275.082; 275.125, subdivision 22; and 477A.011, subdivision 7, are repealed.

Sec. 71. [INSTRUCTION TO REVISOR.]

The revisor of statutes is directed to change the words "assessed value" or "assessed valuation" wherever they appear in Minnesota Statutes to "tax capacity" and the words "mill rate" wherever they appear in Minnesota Statutes to "tax capacity rate" in Minnesota Statutes 1988 and subsequent editions of the statutes.

Sec. 72. [EFFECTIVE DATE.]

Sections 1 to 71 are effective for taxes levied in 1988, payable in 1989, and thereafter.

ARTICLE 6

HUMAN SERVICES PROGRAMS

Section 1. Minnesota Statutes 1987 Supplement, section 256.01, subdivision 2, is amended to read:

Subd. 2. [SPECIFIC POWERS.] Subject to the provisions of section 241.021, subdivision 2, the commissioner of human services shall:

(1) Administer and supervise all forms of public assistance provided for

by state law and other welfare activities or services as are vested in the commissioner. *Administration and supervision of human services activities or services includes, but is not limited to, assuring timely and accurate distribution of benefits, completeness of service, and quality program management. In addition to administering and supervising human services activities vested by law in the department, the commissioner shall:*

(a) have the authority to require local agency participation in training and technical assistance programs to promote compliance with statutes, rules, federal laws, regulations and policies governing human services;

(b) have the authority to monitor the performance of local agencies in the operation and administration of human services on an ongoing basis, enforce compliance with statutes, rules, federal laws, regulations, and policies governing welfare services and promote excellence of administration and program operation;

(c) have the authority to develop a quality control program or other monitoring program to review county performance and accuracy of benefit determinations;

(d) have the authority to require local agencies to make an adjustment to the public assistance benefits issued to any individual consistent with federal law and regulation and state law and rule and to issue or recover benefits as appropriate;

(e) have the authority to delay or deny payment of all or part of the state and federal share of benefits and administrative reimbursement according to the procedures set forth in section 256.016; and

(f) have the authority to make contracts with and grants to public and private agencies and organizations, both profit and nonprofit, and individuals, using appropriated funds.

(2) Inform local agencies of changes in statute, rule, federal law, regulation, and policy necessary to local agency administration of the programs.

(3) Administer and supervise all child welfare activities; promote the enforcement of laws protecting handicapped, dependent, neglected and delinquent children, and children born to mothers who were not married to the children's fathers at the times of the conception nor at the births of the children; license and supervise child-caring and child-placing agencies and institutions; supervise the care of children in boarding and foster homes or in private institutions; and generally perform all functions relating to the field of child welfare now vested in the state board of control.

(3) (4) Administer and supervise all noninstitutional service to handicapped persons, including those who are visually impaired, hearing impaired, or physically impaired or otherwise handicapped. The commissioner may provide and contract for the care and treatment of qualified indigent children in facilities other than those located and available at state hospitals when it is not feasible to provide the service in state hospitals.

(4) (5) Assist and actively cooperate with other departments, agencies and institutions, local, state, and federal, by performing services in conformity with the purposes of Laws 1939, chapter 431.

(5) (6) Act as the agent of and cooperate with the federal government in matters of mutual concern relative to and in conformity with the provisions of Laws 1939, chapter 431, including the administration of any

federal funds granted to the state to aid in the performance of any functions of the commissioner as specified in Laws 1939, chapter 431, and including the promulgation of rules making uniformly available medical care benefits to all recipients of public assistance, at such times as the federal government increases its participation in assistance expenditures for medical care to recipients of public assistance, the cost thereof to be borne in the same proportion as are grants of aid to said recipients.

(6) (7) Establish and maintain any administrative units reasonably necessary for the performance of administrative functions common to all divisions of the department.

~~(7) Administer and supervise any additional welfare activities and services as are vested by law in the department.~~

(8) The commissioner is designated as guardian of both the estate and the person of all the wards of the state of Minnesota, whether by operation of law or by an order of court, without any further act or proceeding whatever, except as to persons committed as mentally retarded.

(9) Act as coordinating referral and informational center on requests for service for newly arrived immigrants coming to Minnesota.

(10) The specific enumeration of powers and duties as hereinabove set forth shall in no way be construed to be a limitation upon the general transfer of powers herein contained.

(11) Establish county, regional, or statewide schedules of maximum fees and charges which may be paid by local agencies for medical, dental, surgical, hospital, nursing and nursing home care and medicine and medical supplies under all programs of medical care provided by the state and for congregate living care under the income maintenance programs.

(12) Have the authority to conduct and administer experimental projects to test methods and procedures of administering assistance and services to recipients or potential recipients of public welfare. To carry out such experimental projects, it is further provided that the commissioner of human services is authorized to waive the enforcement of existing specific statutory program requirements, rules, and standards in one or more counties. The order establishing the waiver shall provide alternative methods and procedures of administration, shall not be in conflict with the basic purposes, coverage, or benefits provided by law, and in no event shall the duration of a project exceed four years. It is further provided that no order establishing an experimental project as authorized by the provisions of this section shall become effective until the following conditions have been met:

(a) The proposed comprehensive plan including estimated project costs and the proposed order establishing the waiver shall be filed with the secretary of the senate and chief clerk of the house of representatives at least 60 days prior to its effective date.

(b) The secretary of health, education, and welfare of the United States has agreed, for the same project, to waive state plan requirements relative to statewide uniformity.

(c) A comprehensive plan, including estimated project costs, shall be approved by the legislative advisory commission and filed with the commissioner of administration.

(13) In accordance with federal requirements establish procedures to be

followed by local welfare boards in creating citizen advisory committees, including procedures for selection of committee members.

(14) Allocate federal fiscal disallowances or sanctions which are based on quality control error rates for the aid to families with dependent children, medical assistance, or food stamp program in the following manner:

(a) One-half of the total amount of the disallowance shall be borne by the county boards responsible for administering the programs. For the medical assistance and AFDC programs, disallowances shall be shared by each county board in the same proportion as that county's expenditures for the sanctioned program are to the total of all counties' expenditures for the AFDC and medical assistance programs. For the food stamp program, sanctions shall be shared by each county board, with 50 percent of the sanction being distributed to each county in the same proportion as that county's administrative costs for food stamps are to the total of all food stamp administrative costs for all counties, and 50 percent of the sanctions being distributed to each county in the same proportion as that county's value of food stamp benefits issued are to the total of all benefits issued for all counties. Each county shall pay its share of the disallowance to the state of Minnesota. When a county fails to pay the amount due hereunder, the commissioner may deduct the amount from reimbursement otherwise due the county, or the attorney general, upon the request of the commissioner, may institute civil action to recover the amount due.

(b) Notwithstanding the provisions of paragraph (a), if the disallowance results from knowing noncompliance by one or more counties with a specific program instruction, and that knowing noncompliance is a matter of official county board record, the commissioner may require payment or recover from the county or counties, in the manner prescribed in paragraph (a), an amount equal to the portion of the total disallowance which resulted from the noncompliance, and may distribute the balance of the disallowance according to paragraph (a).

(15) Develop and implement special projects that maximize reimbursements and result in the recovery of money to the state. For the purpose of recovering state money, the commissioner may enter into contracts with third parties. Any recoveries that result from projects or contracts entered into under this paragraph shall be deposited in the state treasury and credited to a special account until the balance in the account reaches \$400,000. When the balance in the account exceeds \$400,000, the excess shall be transferred and credited to the general fund. All money in the account is appropriated to the commissioner for the purposes of this paragraph.

(16) Have the authority to make direct payments to facilities providing shelter to women and their children pursuant to section 256D.05, subdivision 3. Upon the written request of a shelter facility that has been denied payments under section 256.05, subdivision 3, the commissioner shall review all relevant evidence and make a determination within 30 days of the request for review regarding issuance of direct payments to the shelter facility. Failure to act within 30 days shall be considered a determination not to issue direct payments.

Sec. 2. [256.016] [COMPLIANCE SYSTEM.]

Subdivision 1. [AUTHORITY AND PURPOSE.] The commissioner shall administer a compliance system for aid to families with dependent children, the food stamp program, emergency assistance, general assistance, work

readiness, medical assistance, general assistance medical care, emergency general assistance, Minnesota supplemental assistance, preadmission screening, and alternative care grants under the powers and authorities named in section 256.01, subdivision 2. The purpose of the compliance system is to permit the commissioner to supervise the administration of public assistance programs and to enforce timely and accurate distribution of benefits, completeness of service and efficient and effective program management and operations, to increase uniformity and consistency in the administration and delivery of public assistance programs throughout the state, and to reduce the possibility of sanctions and fiscal disallowances for noncompliance with federal regulations and state statutes.

The commissioner shall utilize training, technical assistance, and monitoring activities, as specified in section 256.01, subdivision 2, to encourage local agency compliance with written policies and procedures.

Subd. 2. [DEFINITIONS.] The following terms have the meanings given for the purpose of this section.

(a) "Administrative penalty" means an adjustment against the local agency's state and federal benefit and federal administrative reimbursement when the commissioner determines that the local agency is not in compliance with the policies and procedures established by the commissioner.

(b) "Quality control case penalty" means an adjustment against the local agency's federal administrative reimbursement and state and federal benefit reimbursement when the commissioner determines through a quality control review that the local agency has made incorrect payments, terminations, or denials of benefits as determined by state quality control procedures for the aid to families with dependent children, food stamp, or medical assistance programs, or any other programs for which the commissioner has developed a quality control system. Quality control case penalties apply only to agency errors as defined by state quality control procedures.

(c) "Quality control" means a review system of a statewide random sample of cases, designed to provide data on the accuracy with which state and federal policies are being applied in issuing benefits and as a fiscal audit to ensure the accuracy of expenditures. The quality control system is administered by the department. For the aid to families with dependent children, food stamp, and medical assistance programs, the quality control system is that required by federal regulation.

Subd. 3. [QUALITY CONTROL CASE PENALTY.] The department shall disallow, withhold, or deny state and federal benefit reimbursement and federal administrative reimbursement payment to a county when the commissioner determines that the county has incorrectly issued benefits or incorrectly denied or terminated benefits. These cases shall be identified by state quality control reviews.

Subd. 4. [DETERMINING THE AMOUNT OF THE QUALITY CONTROL PENALTY.] (a) The amount of the quality control penalty is limited to the amount of the dollar error for the quality control sample month in a reviewed case as determined by the state quality control review procedures for the aid to families with dependent children and food stamp programs or for any other income transfer program for which the commissioner develops a quality control program.

(b) Payment errors in medical assistance or any other medical services

program for which the department develops a quality control program are subject to set rate penalties based on the average cost of the specific quality control error element for a sample review month for that household size and status of institutionalization, and as determined from state quality control data in the preceding fiscal year for the corresponding program.

(c) Errors identified in negative action cases, such as incorrect terminations or denials of assistance are subject to set rate penalties based on the average benefit cost of that household size as determined from state quality control data in the preceding fiscal year for the corresponding program.

Subd. 5. [ADMINISTRATIVE PENALTIES.] The department shall disallow or withhold state and federal benefit reimbursement and federal administrative reimbursement from local agencies when the actions performed by the local agency are not in compliance with the written policies and procedures established by the commissioner. The policies and procedures must be previously communicated to the local agency. A local agency shall not be penalized for complying with a written policy or procedure, even if the policy or procedure is found to be erroneous and is subsequently rescinded by the commissioner.

Subd. 6. [DETERMINING THE AMOUNT OF THE ADMINISTRATIVE PENALTY.] The amount of the penalty imposed on any local agency is based on the numbers of public assistance applicants and recipients that may be affected by the local agency's failure to comply with the policies and procedures established by the commissioner, the fiscal impact of the local agency's action, and the duration of the noncompliance as determined by the commissioner. Administrative penalties shall be imposed independent of any quality control case penalties.

Subd. 7. [PROCESS AND EXCEPTION.] (a)(1) The department shall notify the local agency in writing of all proposed case penalties.

(2) The local agency may submit a written exception of the quality control error claim and proposed penalty. The exception must be submitted to the commissioner within ten calendar days of the receipt of the penalty notice.

(3) Within 20 calendar days of receipt of the written exception, the commissioner shall sustain, dismiss, or amend the quality control findings and case penalty and notify the local agency, in writing, of the decision and the amount of any penalty. The commissioner's decision is not subject to judicial review.

(b)(1) The department shall notify the local agency in writing of any proposed administrative penalty, the date by which the local agency shall have corrected the issues noted in the penalty, and the time period within which the local agency must submit a corrective action plan for compliance.

(2) If the local agency fails to submit a corrective action plan within the stated time period, or if the corrective action plan does not bring the agency into compliance as determined by the department, or if the local agency fails to meet the commitments in the corrective action plan, the department shall issue the administrative penalty and notify the local agency in writing.

(3) The local agency may file written exception to the administrative

penalty with the commissioner within 30 days of the receipt of the department's notice of issuing the administrative penalty. The local agency must notify the commissioner of its intent to file a written exception within ten days of the delivery of the department's notice of the administrative penalty. If the local agency does not notify the commissioner of its intent to file and file a written exception within the prescribed time periods, the department's initial decision shall be final.

(4) The commissioner shall sustain, dismiss, or amend the administrative penalty findings, and shall issue a written order to the local agency within 30 calendar days after receiving the local agency's written exception.

Subd. 8. [JUDICIAL REVIEW.] A local agency that is aggrieved by the order of the commissioner in an administrative penalty of over \$100,000, or 1.5 percent of the total benefit expenditures for the income maintenance programs listed in subdivision 1, for that county, whichever is the lesser amount, may appeal the order to the court of appeals by serving a written copy of a notice of appeal upon the commissioner within 30 days after the date the commissioner issued the administrative penalty order, and by filing the original notice and proof of service with the court administrator of the court of appeals. Service may be made personally or by mail. Service by mail is complete upon mailing. The record of review shall consist of the advance notice of the administrative penalty to the local agency, the local agency corrective action plan if any, the final notice of the administrative penalty, the local agency's written exception to the administrative penalty order, and any other material submitted for the commissioner's consideration, and the commissioner's final written order. The court may affirm the decision of the agency or remand the case for further proceedings, or it may reverse or modify the decision if the substantial rights of the local agency have been prejudiced because the decision is: (1) in excess of the statutory authority or jurisdiction of the agency; (2) unsupported by substantial evidence in view of the entire record as submitted; (3) arbitrary or capricious; or (4) in violation of constitutional provisions.

Subd. 9. [TIMING AND DISPOSITION OF PENALTY AND CASE DISALLOWANCE FUNDS.] Quality control case penalty and administrative penalty amounts shall be disallowed or withheld from the next regular reimbursement made to the county agency for state and federal benefit reimbursements and federal administrative reimbursements for all programs covered in this section, according to procedures established in statute, but shall not be imposed sooner than 30 calendar days from the date of written notice of such penalties. All penalties must be deposited in the county incentive fund as provided for in section 256.017. All penalties must be imposed according to this provision until a decision is made regarding the status of a written exception. Penalties must be returned to local agencies when a review of a written exception results in a decision in their favor.

Subd. 10. [COUNTY OBLIGATION TO MAKE BENEFIT PAYMENTS.] Counties subject to fiscal penalties shall not withhold benefits from eligible recipients of programs listed in subdivision 1 in order to cover the cost of penalties under this section. County funds shall be used to cover the cost of any penalties.

Sec. 3. [256.017] [COUNTY PUBLIC ASSISTANCE INCENTIVE FUND.]

\$1,000,000 is appropriated from the general fund to the department in

each fiscal year beginning in 1990 for awards to counties: (1) that have not been assessed an administrative penalty under section 256.016 in the corresponding fiscal year; and (2) that perform satisfactorily according to indicators established by the commissioner.

After consultation with local agencies, the commissioner shall inform local agencies in writing of the performance indicators that govern the awarding of the incentive fund for each fiscal year by April of the preceding fiscal year.

The commissioner may set performance indicators to govern the awarding of the total fund, may allocate portions of the fund to be awarded by unique indicators, or may set a sole indicator to govern the awarding of funds.

The funds shall be awarded to qualifying local agencies according to their share of benefits for the programs related to the performance indicators governing the distribution of the fund or part of it as compared to the total benefits of all qualifying local agencies for the programs related to the performance indicators governing the distribution of the fund or part of it.

Sec. 4. Minnesota Statutes 1986, section 256.72, is amended to read:
256.72 [DUTIES OF COUNTY AGENCIES.]

The county agencies shall:

(1) Administer the provisions of sections 256.72 to 256.87 in the respective counties subject to the rules prescribed by the state agency pursuant to the provisions of those sections *and to the supervision of the commissioner of human services specified in section 256.01;*

(2) Report to the state agency at such times and in such manner and form as the state agency may from time to time direct; and

(3) Submit quarterly and annually to the county board of commissioners a budget containing an estimate and supporting data setting forth the amount of money needed to carry out the provisions of those sections.

(4) In addition to providing financial assistance, provide such services as will help to maintain and strengthen family life and promote the support and personal independence of parents and relatives insofar as such help is consistent with continuing parental care and protection.

Sec. 5. Minnesota Statutes 1986, section 256.81, is amended to read:
256.81 [COUNTY AGENCY, DUTIES.]

(1) The county agency shall keep such records, accounts, and statistics in relation to aid to families with dependent children as the state agency shall prescribe.

(2) Each grant of aid to families with dependent children shall be paid to the recipient by the county agency except in those instances in which the county agency subject to the rules of the state agency determines that payments for care shall be made to an individual other than the parent or relative with whom the dependent child is living or to vendors of goods and services for the benefit of the child because such parent or relative is unable to properly manage the funds in the best interests and welfare of the child.

(3) The county shall be paid from state and federal funds available therefor the amount provided for in section 256.82.

(4) Federal funds available for administrative purposes shall be distributed between the state and the counties in the same proportion that expenditures were made *except as provided for in section 256.016.*

Sec. 6. Minnesota Statutes 1986, section 256.82, subdivision 1, is amended to read:

Subdivision 1. [MONTHLY PAYMENTS.] *For the period from January 1 to June 30, based upon estimates submitted by the county agency to the state agency, which shall state the estimated required expenditures for the succeeding month, upon the direction of the state agency payment shall be made monthly in advance by the state to the counties of all federal funds available for that purpose for such succeeding month, together with an amount of state funds equal to 70 85 percent of the difference between the total estimated cost and the federal funds so available for payments made after December 31, 1979 and before January 1, 1981, and 85 percent of the difference for payments made after December 31, 1980 except as provided for in section 256.016. Adjustment of any overestimate or underestimate made by any county shall be made upon the direction of the state agency in any succeeding month. Subsequent to July 1 of each year the state agency shall reimburse the county agency for the funds expended during the January 1 to June 30 period except as provided for in section 256.016. For the period from July 1 to December 31, based upon the estimates submitted by the county agency to the state agency, which shall state the estimated required expenditures for the succeeding month, upon the direction of the state agency payment shall be made monthly in advance by the state to the counties of all state and federal funds available for that purpose for the succeeding month except as provided for in section 256.016. Payment shall be made on the basis of federal and state participation rates described in this subdivision. Adjustment of any overestimate or underestimate made by any county shall be made upon the direction of the state agency in any succeeding month. Effective January 1, 1989, the state rate of participation shall be determined as a percentage that equals the difference between 100 percent and the percentage rate of federal financial participation.*

Sec. 7. Minnesota Statutes 1986, section 256.863, is amended to read:

256.863 [RECOVERY OF MONEYS; APPORTIONMENT.]

When any amount shall be recovered from any source for assistance furnished under the provisions of sections 256.72 to 256.87, *except as provided in sections 256.018 and 256.98, subdivision 7,* there shall be paid to the United States the amount which shall be due under the terms of the Social Security Act and the balance thereof shall be paid into the treasury of the state or county substantially in the proportion in which they have respectively contributed toward the total assistance paid. ~~The amount due the respective participating units of government shall be determined by rule adopted by the commissioner of human services pursuant to a formula of reimbursement prescribed or authorized by the federal Social Security Administration.~~

Sec. 8. Minnesota Statutes 1986, section 256.871, subdivision 6, is amended to read:

Subd. 6. [ESTIMATED EXPENDITURES; PAYMENTS.] The county

agency shall submit to the state agency an estimate of expenditures for each succeeding month in such form as required by the state agency. *For the period from January 1 to June 30*, payment shall be made monthly in advance by the state agency to the counties, of federal funds available for that purpose for each succeeding month, together with an amount of state funds equal to ten percent of the difference between the total estimated cost and the federal funds so available, *except as provided for in section 256.016. Subsequent to July 1 of each year the state agency shall reimburse the county agency for the funds expended during the January 1 to June 30 period except as provided for in section 256.016. For the period from July 1 to December 31*, payment shall be made monthly in advance by the state agency to the counties, of all state and federal funds available for that purpose for the succeeding month except as provided for in section 256.016. Payment shall be made on the basis of federal and state participation rates described in this subdivision. Effective January 1, 1989, the state rate of participation shall be determined as a percentage that equals the difference between 100 percent and the percentage rate of federal financial participation. Adjustment of any overestimate or underestimate made by any county shall be made upon the direction of the state agency in any succeeding month.

Sec. 9. Minnesota Statutes 1986, section 256.935, subdivision 1, is amended to read:

Subdivision 1. On the death of any person receiving public assistance through aid to dependent children, the county agency shall pay an amount for funeral expenses not exceeding \$370 and actual cemetery charges. No funeral expenses shall be paid if the estate of the deceased is sufficient to pay such expenses or if the children, or spouse, who were legally responsible for the support of the deceased while living, are able to pay such expenses; provided, that the additional payment or donation of the cost of cemetery lot, interment, religious service, or for the transportation of the body into or out of the community in which the deceased resided, shall not limit payment by the county agency as herein authorized. Freedom of choice in the selection of a funeral director shall be granted to persons lawfully authorized to make arrangements for the burial of any such deceased recipient. In determining the sufficiency of such estate, due regard shall be had for the nature and marketability of the assets of the estate. The county agency may grant funeral expenses where the sale would cause undue loss to the estate. Any amount paid for funeral expenses shall be a prior claim against the estate, as provided in section 524.3-805, and any amount recovered shall be reimbursed to the agency which paid the expenses. *For the period from January 1 to June 30*, the state shall reimburse the county for 50 percent of any payments made for funeral expenses *except as provided for in section 256.016. Subsequent to July 1 of each year the state agency shall reimburse the county agency for the funds expended during the January 1 to June 30 period. For the period from July 1 to December 31*, the state shall reimburse the county for 100 percent of any payments made for funeral expenses *except as provided for in section 256.016.*

Sec. 10. Minnesota Statutes 1986, section 256.991, is amended to read:

256.991 [RULES.]

The commissioner of human services may promulgate emergency and permanent rules as necessary to implement sections 256.01, subdivision

2; 256.82, subdivision 3; 256.966, subdivision 1; 256.968; 256D.03, subdivisions 3, 4, 6, and 7; and 261.23. The commissioner shall promulgate emergency and permanent rules to establish standards and criteria for deciding which medical assistance services require prior authorization and for deciding whether a second medical opinion is required for an elective surgery. The commissioner shall promulgate permanent and emergency rules as necessary to establish the methods and standards for determining inappropriate utilization of medical assistance services.

The commissioner of human services shall adopt emergency rules which meet the requirements of sections 14.29 to 14.36 for the medical assistance demonstration project. Notwithstanding the provisions of section 14.35, the emergency rules promulgated to implement section 256B.69 shall be effective for 360 days and may be continued in effect for an additional 900 days if the commissioner gives notice by publishing a notice in the state register and mailing notice to all persons registered with the commissioner to receive notice of rulemaking proceedings in connection with the project. The emergency rules shall not be effective beyond December 31, 1986, without meeting the requirements of sections 14.13 to 14.20.

Sec. 11. Minnesota Statutes 1986, section 256B.041, subdivision 5, is amended to read:

Subd. 5. [PAYMENT BY COUNTY TO STATE TREASURER.] If required by federal law or rules promulgated thereunder, or by authorized rule of the state agency, each county shall pay to the state treasurer the portion of medical assistance paid by the state for which it is responsible. ~~The county's share of cost shall be ten percent of that portion not met by federal funds.~~ *Effective January 1, 1989, the state rate of participation shall be determined as a percentage that equals the difference between 100 percent and the percentage rate of federal financial participation.*

For the period from January 1 to June 30, the county shall advance its ~~portion~~ ten percent of that portion of medical assistance costs not met by federal funds, based upon estimates submitted by the state agency to the county agency, stating the estimated expenditures for the succeeding month. Upon the direction of the county agency, payment shall be made monthly by the county to the state for the estimated expenditures for each month. Adjustment of any overestimate or underestimate based on actual expenditures shall be made by the state agency by adjusting the estimate for any succeeding month. Subsequent to July 1 of each year the state agency shall reimburse the county agency for the funds expended during the January 1 to June 30 period, except as provided for in section 256.016. For the period from July 1 to December 31 payments will be made by the state agency except as provided for in section 256.016 and the county agency will be advised of the amounts paid monthly.

Sec. 12. Minnesota Statutes 1986, section 256B.041, subdivision 7, is amended to read:

Subd. 7. Federal funds available for administrative purposes shall be distributed between the state and the county on the same basis that reimbursements are earned *except as provided for under section 256.016.*

Sec. 13. Minnesota Statutes 1986, section 256B.05, subdivision 1, is amended to read:

Subdivision 1. The county agencies shall administer medical assistance in their respective counties under the supervision of the state agency *and*

the commissioner of human services as specified in section 256.01, and shall make such reports, prepare such statistics, and keep such records and accounts in relation to medical assistance as the state agency may require.

Sec. 14. Minnesota Statutes 1987 Supplement, section 256B.091, subdivision 8, is amended to read:

Subd. 8. [ALTERNATIVE CARE GRANTS.] The commissioner shall provide grants to counties participating in the program to pay costs of providing alternative care to individuals screened under subdivision 4 and nursing home or boarding care home residents who request a screening. Prior to July of each year, the commissioner shall allocate state funds available for alternative care grants to each local agency. This allocation must be made as follows: half of the state funds available for alternative care grants must be allocated to each county according to the total number of adults in that county who are recipients age 65 or older who are reported to the department by March 1 of each state fiscal year and half of the state funds available for alternative care grants must be allocated to a county according to that county's number of Medicare enrollments age 65 or older for the most recent statistical report. Payment is available under this subdivision only for individuals (1) for whom the screening team would recommend nursing home or boarding care home admission, or continued stay if alternative care were not available; (2) who are receiving medical assistance or who would be eligible for medical assistance within 180 days of admission to a nursing home; (3) who need services that are not available at that time in the county through other public assistance; and (4) who are age 65 or older.

The commissioner shall establish by rule, in accordance with chapter 14, procedures for determining grant reallocations, limits on the rates for payment of approved services, including screenings, and submittal and approval of a biennial county plan for the administration of the preadmission screening and alternative care grants program. Grants may be used for payment of costs of providing care-related supplies, equipment, and services such as, but not limited to, foster care for elderly persons, day care whether or not offered through a nursing home, nutritional counseling, or medical social services, which services are provided by a licensed health care provider, a home health service eligible for reimbursement under Titles XVIII and XIX of the federal Social Security Act, or by persons employed by or contracted with by the county board or the local welfare agency. The county agency shall ensure that a plan of care is established for each individual in accordance with subdivision 3, clause (e)(2), and that a client's service needs and eligibility is reassessed at least every six months. The plan shall include any services prescribed by the individual's attending physician as necessary and follow up services as necessary. The county agency shall provide documentation to the commissioner verifying that the individual's alternative care is not available at that time through any other public assistance or service program and shall provide documentation in each individual's plan of care and to the commissioner that the most cost-effective alternatives available have been offered to the individual and that the individual was free to choose among available qualified providers, both public and private. The county agency shall document to the commissioner that the agency made reasonable efforts to inform potential providers of the anticipated need for services under the alternative care grants program, including a minimum of 14 days written advance notice of the opportunity to be selected as a service provider and an annual public meeting with

providers to explain and review the criteria for selection, and that the agency allowed potential providers an opportunity to be selected to contract with the county board. Grants to counties under this subdivision are subject to audit by the commissioner for fiscal and utilization control.

The county must select providers for contracts or agreements using the following criteria and other criteria established by the county:

- (1) the need for the particular services offered by the provider;
- (2) the population to be served, including the number of clients, the length of time services will be provided, and the medical condition of clients;
- (3) the geographic area to be served;
- (4) quality assurance methods, including appropriate licensure, certification, or standards, and supervision of employees when needed;
- (5) rates for each service and unit of service exclusive of county administrative costs;
- (6) evaluation of services previously delivered by the provider; and
- (7) contract or agreement conditions, including billing requirements, cancellation, and indemnification.

The county must evaluate its own agency services under the criteria established for other providers. The county shall provide a written statement of the reasons for not selecting providers.

The commissioner shall establish a sliding fee schedule for requiring payment for the cost of providing services under this subdivision to persons who are eligible for the services but who are not yet eligible for medical assistance. The sliding fee schedule is not subject to chapter 14 but the commissioner shall publish the schedule and any later changes in the State Register and allow a period of 20 working days from the publication date for interested persons to comment before adopting the sliding fee schedule in final forms.

The commissioner shall apply for a waiver for federal financial participation to expand the availability of services under this subdivision. The commissioner shall provide grants to counties from the nonfederal share, unless the commissioner obtains a federal waiver for medical assistance payments, of medical assistance appropriations. A county agency may use grant money to supplement but not supplant services available through other public assistance or service programs and shall not use grant money to establish new programs for which public money is available through sources other than grants provided under this subdivision. A county agency shall not use grant money to provide care under this subdivision to an individual if the anticipated cost of providing this care would exceed the average payment, as determined by the commissioner, for the level of care that the recipient would receive if placed in a nursing home or boarding care home. *For the period from January 1 to June 30* the nonfederal share may be used to pay up to 90 percent of the start-up and service delivery costs of providing care under this subdivision. Each county agency that receives a grant shall pay ten percent of the costs for persons who are eligible for the services but who are not yet eligible for medical assistance. *Subsequent to July 1 of each year the state agency shall reimburse the county agency for the funds expended during the January 1 to June 30 period except as*

provided for in section 256.016. For the period from July 1 to December 31 the nonfederal share may be used to pay up to 100 percent of the start-up and service delivery costs of providing care under this subdivision.

The commissioner shall promulgate emergency rules in accordance with sections 14.29 to 14.36, to establish required documentation and reporting of care delivered.

Sec. 15. Minnesota Statutes 1987 Supplement, section 256B.15, is amended to read:

256B.15 [CLAIMS AGAINST ESTATES.]

If a person receives any medical assistance hereunder, on the person's death, if single, or on the death of the survivor of a married couple, either or both of whom received medical assistance, and only when there is no surviving child who is under 21 or is blind or totally disabled, the total amount paid for medical assistance rendered for the person and spouse, after age 65, without interest, shall be filed as a claim against the estate of the person or the estate of the surviving spouse in the court having jurisdiction to probate the estate. A claim against the estate of a surviving spouse who did not receive medical assistance, for medical assistance rendered for the predeceased spouse, is limited to the value of the assets of the estate that were marital property or jointly-owned property at any time during the marriage. The claim shall be considered an expense of the last illness of the decedent for the purpose of section 524.3-805. Any statute of limitations that purports to limit any county agency or the state agency, or both, to recover for medical assistance granted hereunder shall not apply to any claim made hereunder for reimbursement for any medical assistance granted hereunder. Counties ~~may retain~~ *are entitled to* one-half of the nonfederal share of medical assistance collections from estates that are directly attributable to county effort.

Sec. 16. Minnesota Statutes 1987 Supplement, section 256B.19, subdivision 1, is amended to read:

Subdivision 1. [DIVISION OF COST.] The cost of medical assistance paid by each county of financial responsibility shall be borne as follows: *For the period from January 1 to June 30*, payments shall be made by the state to the county for that portion of medical assistance paid by the federal government and the state on or before the 20th day of each month for the succeeding month upon requisition from the county showing the amount required for the succeeding month. Ninety percent of the expense of assistance not paid by federal funds available for that purpose shall be paid by the state and ten percent shall be paid by the county of financial responsibility *except as provided for in section 256.016.*

For the period from January 1 to June 30, for counties that participate in a Medicaid demonstration project under sections 256B.69 and 256B.71, the division of the nonfederal share of medical assistance expenses for payments made to prepaid health plans or for payments made to health maintenance organizations in the form of prepaid capitation payments, this division of medical assistance expenses shall be 95 percent by the state and five percent by the county of financial responsibility. *Subsequent to July 1 of each year the state agency shall reimburse the county agency for the funds expended during the January 1 to June 30 period except as provided for in section 256.016.*

For the period from July 1 to December 31, except as provided for in

section 256.016, payments shall be made by the state to the county for that portion of medical assistance paid by the federal government and the state on or before the 20th day of each month for the succeeding month upon requisition from the county showing the amount required for the succeeding month. The expense of assistance not paid by federal funds available for that purpose shall be paid by the state.

In counties where prepaid health plans are under contract to the commissioner to provide services to medical assistance recipients, the cost of court ordered treatment ordered without consulting the prepaid health plan that does not include diagnostic evaluation, recommendation, and referral for treatment by the prepaid health plan is the responsibility of the county of financial responsibility.

Sec. 17. Minnesota Statutes 1986, section 256B.19, subdivision 2, is amended to read:

Subd. 2. Federal funds available for administrative purposes shall be distributed between the state and the county in the same proportion that expenditures were made *except as provided for in section 256.016.*

Sec. 18. Minnesota Statutes 1987 Supplement, section 256D.03, subdivision 2, is amended to read:

Subd. 2. *For the period from January 1 to June 30, state aid shall be paid to local agencies for 75 percent of all general assistance and work readiness grants up to the standards of sections 256D.01, subdivision 1a, and 256D.051, and according to procedures established by the commissioner, except as provided for under section 256.016. Subsequent to July 1 of each year, the state agency shall reimburse the county agency for the funds expended during the January 1 to June 30 period except as provided for in section 256.016.*

~~After December 31, 1980,~~ *For the period from July 1 to December 31, state aid shall be paid to local agencies for 75 100 percent of all general assistance and work readiness grants up to the standards of section sections 256D.01, subdivision 1a, and 256D.051, and according to procedures established by the commissioner, except as provided for under section 256.016 and except that, after December 31, 1987 1988, state aid is reduced to 65 percent of all general assistance grants if the local agency does not make occupational or vocational literacy training available and accessible to recipients who are eligible for assistance under section 256D.05, subdivision 1, paragraph (a), clause (15).*

After December 31, ~~1986~~ 1988, state aid must be paid to local agencies for 65 percent of work readiness assistance paid under section 256D.051 if the county does not have an approved and operating community investment program.

Any local agency may, from its own resources, make payments of general assistance: (a) at a standard higher than that established by the commissioner without reference to the standards of section 256D.01, subdivision 1; or, (b) to persons not meeting the eligibility standards set forth in section 256D.05, subdivision 1, but for whom the aid would further the purposes established in the general assistance program in accordance with rules promulgated by the commissioner pursuant to the administrative procedure act.

Sec. 19. Minnesota Statutes 1986, section 256D.03, subdivision 6, is

amended to read:

Subd. 6. [DIVISION OF COSTS.] The state shall pay ~~90~~ 100 percent of the cost of general assistance medical care paid by the local agency or county pursuant to this section, in accordance with sections 256B.041, subdivision 5, and 256B.19, subdivision 1, except as provided for in section 256.016. In counties where prepaid health plans are under contract to the commissioner to provide services to general assistance medical care recipients, the cost of court ordered treatment that does not include diagnostic evaluation, recommendation, or referral for treatment by the prepaid health plan is the responsibility of the county of financial responsibility.

Sec. 20. Minnesota Statutes 1986, section 256D.04, is amended to read:
256D.04 [DUTIES OF THE COMMISSIONER.]

In addition to any other duties imposed by law, the commissioner shall:

(1) Supervise according to section 256.01 the administration of general assistance and general assistance medical care by local agencies as provided in sections 256D.01 to 256D.21;

(2) Promulgate uniform rules consistent with law for carrying out and enforcing the provisions of sections 256D.01 to 256D.21 to the end that general assistance may be administered as uniformly as possible throughout the state; rules shall be furnished immediately to all local agencies and other interested persons; in promulgating rules, the provisions of sections 14.01 to 14.70, shall apply;

(3) Allocate moneys appropriated for general assistance and general assistance medical care to local agencies as provided in section 256D.03, subdivisions 2 and 3;

(4) Accept and supervise the disbursement of any funds that may be provided by the federal government or from other sources for use in this state for general assistance and general assistance medical care;

(5) Cooperate with other agencies including any agency of the United States or of another state in all matters concerning the powers and duties of the commissioner under sections 256D.01 to 256D.21;

(6) Cooperate to the fullest extent with other public agencies empowered by law to provide vocational training, rehabilitation, or similar services; and

(7) Gather and study current information and report at least annually to the governor and legislature on the nature and need for general assistance and general assistance medical care, the amounts expended under the supervision of each local agency, and the activities of each local agency and publish such reports for the information of the public.

Sec. 21. Minnesota Statutes 1986, section 256D.36, subdivision 1, is amended to read:

Subdivision 1. Commencing January 1, 1974, the commissioner shall certify to each local agency the names of all county residents who were eligible for and did receive aid during December, 1973 pursuant to a categorical aid program of old age assistance, aid to the blind, or aid to the disabled. ~~From and after January 1, 1980, until January 1, 1981, For the period from January 1 to June 30, the state shall pay 70~~ 85 percent and the county shall pay ~~30~~ 15 percent of the supplemental aid calculated for

each county resident certified under this section who is an applicant for or recipient of supplemental security income *except as provided for in section 256.016. After December 31, 1980, the state shall pay 85 percent and the county shall pay 15 percent of the aid. Subsequent to July 1 of each year, the state agency shall reimburse the county agency for the funds expended during the January 1 to June 30 period, except as provided for in section 256.016. For the period from July 1 to December 31, the state agency shall pay 100 percent of the supplemental aid calculated for each county resident certified under this section who is an applicant for or recipient of supplemental security income except as provided for in section 256.016.* The amount of supplemental aid for each individual eligible under this section shall be calculated pursuant to the formula prescribed in title II, section 212 (a) (3) of Public Law Number 93-66, as amended.

Sec. 22. Minnesota Statutes 1987 Supplement, section 256G.01, subdivision 3, is amended to read:

Subd. 3. [PROGRAM COVERAGE.] This chapter applies to all programs administered by the commissioner in which residence is the determining factor in establishing financial responsibility. These include, but are not limited to: ~~aid to families with dependent children; medical assistance; general assistance; general assistance medical care; Minnesota supplemental aid;~~ commitment proceedings, including voluntary admissions; poor relief funded wholly through local agencies; and social services, including title XX, IV-E and other components of the community social services act, sections 256E.01 to 256E.12. *It also applies to service responsibility in the income maintenance and health care programs administered by the commissioner.*

Sec. 23. Minnesota Statutes 1987 Supplement, section 256G.02, subdivision 4, is amended to read:

Subd. 4. [COUNTY OF FINANCIAL RESPONSIBILITY.] (a) "County of financial responsibility" has the meanings in paragraphs (b) to ~~(h)~~ (e).

(b) For an applicant who resides in the state and is not in a facility described in subdivision 5, it means the county in which the applicant resides at the time of application.

(c) For an applicant who resides in a facility described in subdivision 5, it means the county in which the applicant last resided in nonexcluded status immediately before entering the facility.

(d) For an applicant who has not resided in this state for any time other than the excluded time, it means the county in which the applicant resides at the time of making application.

~~(e) For medical assistance purposes only, and for an infant who has resided only in an excluded time facility, it means the county that would have been responsible for the infant if eligibility had been established, based on that of the birth mother, at the time of application.~~

~~(f) Notwithstanding paragraphs (b) to (d), the county of financial responsibility for medical assistance recipients is the county from which a recipient is receiving a maintenance grant or money payment under the program of aid to families with dependent children or Minnesota supplemental aid.~~

~~(g) Notwithstanding paragraphs (b) to (f), the county of financial responsibility for social services for a person receiving aid to families with dependent children, general assistance, general assistance medical care, medical~~

assistance, or Minnesota supplemental aid is the county from which that person is receiving the aid or assistance. If more than one named program is open concurrently, financial responsibility for social services attaches to the program that has the earliest date of application and has been open without interruption.

(h) (f) Notwithstanding paragraphs (b) to (g) (e), the county of financial responsibility for semi-independent living services provided under section 252.275, and Minnesota Rules, parts 9525.0500 to 9525.0660, is the county of residence in nonexcluded status immediately before the placement into or request for those services.

Sec. 24. Minnesota Statutes 1987 Supplement, section 256G.04, subdivision 1, is amended to read:

Subdivision 1. [TIME OF DETERMINATION.] For purposes of establishing financial responsibility, residence must be determined as of the date a local agency receives a signed request or signed application *or the date of eligibility, whichever is later*. This subdivision extends to cases in which the applicant may move to another county after the date of application but before the grant or service is actually approved.

Sec. 25. Minnesota Statutes 1987 Supplement, section 256G.05, is amended to read:

256G.05 [RESPONSIBILITY FOR EMERGENCIES.]

Subdivision 1. [RESIDENCE NOT A TEST.] In situations involving emergencies verified by a local agency, financial responsibility for aid to families with dependent children, general assistance, and Minnesota supplemental aid rests with the county in which an otherwise eligible person is physically present when the application is filed. The county of residence is not obligated to reimburse. Financial responsibility is limited to 30 days unless otherwise specified in the context of the affected program.

Subd. 2. [NON-MINNESOTA RESIDENTS.]

State residence is not required for receiving emergency assistance in the general assistance and Minnesota supplemental aid programs only. The receipt of emergency assistance must not be used as a factor in determining county or state residence.

Sec. 26. Minnesota Statutes 1987 Supplement, section 256G.07, is amended to read:

256G.07 [MOVING TO ANOTHER COUNTY.]

Subdivision 1. [EFFECT OF MOVING.] *Except as provided in subdivision 4*, a person who has applied for and is receiving assistance services under a program governed by this chapter, in any county in this state, and who moves to another county in this state, is entitled to continue to receive that assistance from the county from which that person has moved until that person has resided in nonexcluded status for two full calendar months in the county to which that person has moved.

For purposes of general assistance and general assistance medical care, this time period is, however, one full calendar month.

Subd. 2. [TRANSFER OF RECORDS.] Before the person has resided in nonexcluded status for two calendar months, *or one calendar month in the case of general assistance or general assistance medical care*, in the

county to which that person has moved, the local agency of the county from which the person has moved shall transfer all necessary records relating to that person to the local agency of the county to which the person has moved.

Subd. 3. [CONTINUATION OF CASE.] When the case is terminated for 30 days or less before the recipient reapplies, that case remains the financial responsibility of the county from which the recipient moved until the residence requirement in subdivision 1 is met.

Subd. 4. [MULTIPLE FINANCIAL RESPONSIBILITY.] ~~When more than one county becomes financially responsible for a case involving a single assistance unit, under a program covered by this chapter, that case must be immediately reconsidered by the affected local agencies. Beginning with the first day of the calendar month after that reconsideration, financial responsibility for the entire assistance unit belongs to the county that was initially responsible for the program with the earliest date of application.~~

Subd. 5. [SOCIAL SERVICE PROVISION.] The types and level of social services to be provided in any case governed by this chapter are those otherwise provided in the county in which the person is physically residing at the time those services are provided.

Sec. 27. Minnesota Statutes 1987 Supplement, section 256G.10, is amended to read:

256G.10 [DERIVATIVE SETTLEMENT ELIMINATED.]

~~Except as described in section 256G.02, subdivision 4, paragraph (d),~~ Residence under this chapter must be determined independently for each applicant. The residence of the parent or guardian does not determine the residence of the child or ward. Physical or legal custody has no bearing on residence determinations. This section does not, however, apply to situations involving another state or limit the application of an interstate compact.

Sec. 28. Minnesota Statutes 1987 Supplement, section 256G.11, is amended to read:

256G.11 [NO RETROACTIVE EFFECT.]

This chapter is ~~not retroactive and~~ does not require *the retroactive* re-determination of financial responsibility for cases existing on January 1, 1988. This chapter applies only to applications and redeterminations of eligibility taken or routinely made after January 1, 1988.

~~Notwithstanding this section, however, existing social service cases tie to cases for those programs outlined in section 256G.02, subdivision 4, paragraph (g), for which an application is taken or a redetermination is made after January 1, 1988.~~

Sec. 29. [256.018] [RECOVERY OF MONEY; APPORTIONMENT.]

When an amount is recovered from any source for assistance given under the provisions governing public assistance programs including aid to families with dependent children, emergency assistance, general assistance, work readiness, and Minnesota supplemental aid, there shall be paid to the United States the amount due under the terms of the Social Security Act and the balance must be paid into the treasury of the state or county in accordance with current rates of financial participation; except if the

recovery is directly attributable to county effort, the county may keep one-half of the nonfederal share of the recovery. This does not apply to recoveries from medical providers or to recoveries begun by the department of human services' surveillance and utilization review division, state hospital collections unit, and the benefit recoveries division or, by the attorney general's office, or child support collections.

Sec. 30. Minnesota Statutes 1986, section 393.07, subdivision 2, is amended to read:

Subd. 2. [ADMINISTRATION OF PUBLIC WELFARE.] The county welfare board, subject to the supervision of the commissioner of human services, shall administer all forms of public welfare, both for children and adults, responsibility for which now or hereafter may be imposed on the commissioner of human services by law, including general assistance, aid to dependent children, county supplementation, if any, or state aid to recipients of supplemental security income for aged, blind and disabled, child welfare services, mental health services, and other public assistance or public welfare services, provided that the county welfare board shall not employ public health nursing or home health service personnel other than homemaker-home help aides, but shall contract for or purchase the necessary services from existing community agencies. The duties of the county welfare board shall be performed in accordance with the standards and rules which may be promulgated by the commissioner of human services to achieve the purposes intended by law and in order to comply with the requirements of the federal Social Security Act in respect to public assistance and child welfare services, so that the state may qualify for grants-in-aid available under that act. *To avoid administrative penalties under section 256.016, the county welfare board must comply with (1) policies established by state law and (2) instructions from the commissioner relating (i) to public assistance program policies consistent with federal law and regulation and state law and rule and (ii) to local agency program operations. The commissioner may enforce county welfare board compliance with the instructions, and may delay, withhold, or deny payment of all or part of the state and federal share of benefits and federal administrative reimbursement, according to the provisions under section 256.016.* The county welfare board shall supervise wards of the commissioner and, when so designated, act as agent of the commissioner of human services in the placement of the commissioner's wards in adoptive homes or in other foster care facilities. The county welfare board may contract with a bank or other financial institution to provide services associated with the processing of public assistance checks and pay a service fee for these services, provided the fee charged does not exceed the fee charged to other customers of the institution for similar services.

Sec. 31. Minnesota Statutes 1987 Supplement, section 393.07, subdivision 10, is amended to read:

Subd. 10. [FEDERAL FOOD STAMP PROGRAM.] (a) The county welfare board shall establish and administer the food stamp program pursuant to rules of the commissioner of human services, *the supervision of the commissioner as specified in section 256.01, and all federal laws and regulations.* The commissioner of human services shall monitor food stamp program delivery on an ongoing basis to ensure that each county complies with federal laws and regulations. Program requirements to be monitored include, but are not limited to, number of applications, number of approvals,

number of cases pending, length of time required to process each application and deliver benefits, number of applicants eligible for expedited issuance, length of time required to process and deliver expedited issuance, number of terminations and reasons for terminations, client profiles by age, household composition and income level and sources, and the use of phone certification and home visits. The commissioner shall determine the county-by-county and statewide participation rate. The commissioner shall report on the monitoring activities on a county-by-county basis in a report presented to the legislature by July 1 each year. This monitoring activity shall be separate from the management evaluation survey sample required under federal regulations.

(b) On July 1 of each year, the commissioner of human services shall determine a statewide and county-by-county food stamp program participation rate. The commissioner may designate a different agency to administer the food stamp program in a county if the agency administering the program fails to increase the food stamp program participation rate among families or eligible individuals, or comply with all federal laws and regulations governing the food stamp program. The commissioner shall review agency performance annually to determine compliance with this paragraph.

~~(c) The county welfare board shall participate in a food stamp quality control system subject to the supervision of the commissioner of human services and pursuant to federal regulations.~~

A person who commits any of the following acts has violated section 256.98 and is subject to both the criminal and civil penalties provided under that section:

(1) Obtains or attempts to obtain, or aids or abets any person to obtain by means of a willfully false statement or representation, or intentional concealment of a material fact, food stamps to which the person is not entitled or in an amount greater than that to which that person is entitled; or

(2) Presents or causes to be presented, coupons for payment or redemption knowing them to have been received, transferred or used in a manner contrary to existing state or federal law; or

(3) Willfully uses or transfers food stamp coupons or authorization to purchase cards in any manner contrary to existing state or federal law.

Sec. 32. [TRANSFER OF COUNTY FOOD STAMP QUALITY CONTROL SYSTEM EMPLOYEES.]

(a) All positions covered by the Minnesota merit system located in Crow Wing county family social service center and in the Redwood county welfare department classified as food stamp corrective action specialist I and II and as financial assistant supervisor I, if the positions supervise food stamp corrective action specialists, are transferred to the department of human services and become state civil service positions.

(b) All incumbent employees affected by this transfer, who choose to transfer to state civil service positions in the department of human services, must be transferred with no reduction in salary. Salaries of individual employees who transfer must be adjusted to the minimum salary or to the nearest equal or higher step on the state compensation plan for their class, whichever is greater.

(c) Existing sick leave and vacation accruals for an employee who transfers must be transferred to the department of human services and the employee shall accrue additional vacation and sick leave under the provisions of the appropriate state collective bargaining agreement based on the employee's years of service in either Crow Wing county family service center or in the Redwood county welfare department.

(d) If an employee who transfers chooses to retain the county coverage for employee and dependent health, dental, and life insurance, the department of human services shall reimburse the employee for one month of continued enrollment in the health, dental, and life insurance plans in an amount equal to what their former county employer would have paid for the coverage had the employee remained a county employee, until the employee is eligible for coverage under the state insurance plans.

(e) Classification seniority for an employee who transfers must be calculated according to the provisions of the appropriate state collective bargaining agreement based upon the employee's years of service in the county merit system.

Sec. 33. [REPEALER.]

Minnesota Statutes 1986, section 256.965; and Minnesota Statutes 1987 Supplement, section 256D.22, are repealed.

Sec. 34. [HUMAN SERVICES; APPROPRIATIONS.]

The sums shown in the columns marked "APPROPRIATIONS" are appropriated from the general fund, or any other fund named, to the commissioner of human services for the purposes specified in this article, to be available for the fiscal years indicated for each purpose. The figure "1989" where used in this section, means that the appropriation listed under it is available for the year ending June 30, 1989.

SUMMARY BY FUND

	1989
General	
Incentive Fund	\$990,000
Appeals and Contracts	5,500
Financial Management	39,000
Assistance Payments	511,000
Food Stamp Quality	
Control	110,000
Administrative Aid	(1,150,000)
Revenue:	
General Fund	
Nondedicated Receipts	\$223,000
Positions:	
General Fund	
Appeals and Contracts	1
Financial Management	2
Assistance Payments	22
Food Stamp Quality Control	25
Subdivision 1. [APPROPRIATION BY FUND.]	

General Fund \$1,650,000
 (1,150,000)

The amounts that may be spent from this appropriation for each program and activity are more specifically described in the following subdivisions.

Subd. 2. [HUMAN SERVICES.]

Administrative Aid (\$1,150,000)

Funds for this purpose are eliminated effective January 1, 1989.

Incentive Fund \$990,000

\$990,000 of the appropriation for the county incentive fund. Money appropriated for the incentive fund in fiscal year 1989 does not cancel but is available for fiscal year 1990.

Subd. 3. [INCOME MAINTENANCE.]

Administration \$660,000

Approved complement: 50

Food Stamp Quality Control Operations

\$110,000 of the appropriation and 25 complement positions for the conversion of county food stamp quality control staff to state employment.

Monitoring and Program Support

\$554,500 of the appropriation and 25 complement positions to implement state financing of income maintenance benefits as contained in the provisions of this article: monitoring local agency performance in administering the income maintenance programs, providing technical assistance and program support and reviewing local agency exceptions to compliance actions under the provisions included in this article.

Sec. 35. [EFFECTIVE DATE.]

The part of section 31 that strikes a part of subclause (c) is effective June 1, 1989. Section 32 is effective July 1, 1989. Except as provided in section 34, the rest of this article is effective January 1, 1989.

ARTICLE 7

PROPERTY TAX TECHNICAL AND ADMINISTRATIVE

Section 1. Minnesota Statutes 1986, section 270.075, subdivision 2, is amended to read:

Subd. 2. As soon as practicable and not later than ~~November~~ *December* 1 next following the levy of the tax, the commissioner shall give actual notice to the airline company of the assessed valuation and of the tax. The taxes imposed under sections 270.071 to 270.079 shall become due and payable on January 1 following the levy thereof. If any tax is not paid on the due date or, if an appeal is made pursuant to section 270.076, within 60 days after notice of an increased tax, a late payment penalty of ten percent of the unpaid tax shall be assessed. The unpaid tax and penalty shall bear interest at the rate specified in section 270.75 from the time such tax should have been paid until paid. All interest and penalties shall

be added to the tax and collected as a part thereof.

Sec. 2. Minnesota Statutes 1986, section 273.112, subdivision 3, is amended to read:

Subd. 3. Real estate shall be entitled to valuation and tax deferment under this section only if it is:

(a) actively and exclusively devoted to golf, skiing or archery or firearms range recreational use or uses and other recreational uses carried on at the establishment;

(b) five acres in size or more, except in the case of an archery or firearms range;

(c)(1) operated by private individuals and open to the public; or

(2) operated by firms or corporations for the benefit of employees or guests; or

(3) operated by private clubs having a membership of 50 or more, provided that the club does not discriminate in membership requirements or selection on the basis of sex; and

(d) made available, in the case of real estate devoted to golf, for use without discrimination on the basis of sex during the time when the facility is open to use by the public or by members, except that use for golf may be restricted on the basis of sex no more frequently than one, or part of one, weekend each calendar month for each sex and no more than two, or part of two, weekdays each week for each sex.

If a golf club membership allows use of golf course facilities by more than one adult per membership, the use must be equally available to all adults entitled to use of the golf course under the membership, except that use may be restricted on the basis of sex as permitted in this section. Memberships that permit play during restricted times may be allowed only if the restricted times apply to all adults using the membership.

A golf club may have or create an individual membership category which entitles a member for a reduced rate to play during restricted hours as established by the club. The club must have on record a written request by the member for such membership.

For purposes of this subdivision and subdivision 7a, discrimination means a pattern or course of conduct and not linked to an isolated incident.

Sec. 3. Minnesota Statutes 1986, section 273.112, subdivision 6, is amended to read:

Subd. 6. Application for deferment of taxes and assessment under this section shall be made at least 60 days prior to January 2 of each year. Such application shall be filed with the assessor of the taxing district in which the real property is located on such form as may be prescribed by the commissioner of revenue. The assessor may require proof by affidavit or other written verification that the property qualifies under subdivision 3. In the case of property operated by private clubs pursuant to subdivision 3, clause (c)(3), in order to qualify for valuation and tax deferment under this section, the taxpayer must submit to the assessor proof by affidavit or other written verification that the bylaws or rules and regulations of the club meet the eligibility requirements provided under this section. The

signed affidavit or other written verification shall be sufficient demonstration of eligibility for the assessor unless the county attorney determines otherwise.

The county assessor shall refer any question regarding the eligibility for valuation and deferment under this section to the county attorney for advice and opinion under section 388.051, subdivision 1. Upon request of the county attorney, the taxpayer shall furnish information that the county attorney considers necessary in order to determine eligibility under this section.

Real estate is not entitled to valuation and deferment under this section unless the county assessor has filed with the assessor's tax records prior to October 16 a statement that the application has been accepted.

Sec. 4. Minnesota Statutes 1987 Supplement, section 273.1195, is amended to read:

273.1195 [STATE PAID SMALL BUSINESS PROPERTY TAX TRANSITION CREDIT.]

For property taxes payable in 1988 only, class 3a commercial industrial property is eligible for a state paid small business transition property tax credit if the payable 1988 property taxes on the first \$120,000 of market value of the property exceed three percent of the January 2, 1987, market value. The credit is equal to 50 percent of the property tax amount which is in excess of three percent of market value. Only the first \$120,000 of market value of a qualifying parcel and the taxes attributable to the first \$120,000 of market value are eligible for the computation of this credit. Only a parcel that qualifies for the 28 percent assessment ratio contained in section 273.13, subdivision 24, paragraph (a), qualifies for the credit provided in this section. *Only the market value and property tax attributable to the part of the parcel that is class 3a must be used in computing the credit provided in this section.*

~~In the case of taxes paid in installments pursuant to section 279.01, subdivision 1, the credit under this section must be deducted from the second one-half installment payable October 15. The amount of the reduction must be reported to the commissioner of revenue as part of the abstracts of tax lists required to be filed with the commissioner under section 275.29.~~

There is annually appropriated from the general fund to the commissioners of revenue and education the amount necessary to replace the revenue lost to local units of government and school districts as a result of the reduction in property taxes provided in this section. The payment amounts must be determined and the installments paid under the provisions of sections 273.13, subdivision 15a, and 273.1392.

Sec. 5. Minnesota Statutes 1986, section 273.121, is amended to read:

273.121 [VALUATION OF REAL PROPERTY, NOTICE.]

Any county assessor or city assessor having the powers of a county assessor, valuing or classifying taxable real property shall in each year notify those persons whose property is to be assessed or reclassified that year if the person's address is known to the assessor, otherwise the occupant of the property. ~~In the case of property owned by a married couple in joint tenancy or tenancy in common, the assessor shall not deny homestead treatment in whole or in part if only one of the spouses is occupying the property and the other spouse is absent due to divorce or separation, or is~~

a resident of a nursing home or a boarding care facility. The notice shall be in writing and shall be sent by ordinary mail at least ten days before the meeting of the local board of review or equalization. It shall contain the amount of the valuation in terms of market value, the new classification, the assessor's office address, and the dates, places, and times set for the meetings of the local board of review or equalization and the county board of equalization. If the assessment roll is not complete, the notice shall be sent by ordinary mail at least ten days prior to the date on which the board of review has adjourned. The assessor shall attach to the assessment roll a statement that the notices required by this section have been mailed. Any assessor who is not provided sufficient funds from the assessor's governing body to provide such notices, may make application to the commissioner of revenue to finance such notices. The commissioner of revenue shall conduct an investigation and, if satisfied that the assessor does not have the necessary funds, issue a certification to the commissioner of finance of the amount necessary to provide such notices. The commissioner of finance shall issue a warrant for such amount and shall deduct such amount from any state payment to such county or municipality. The necessary funds to make such payments are hereby appropriated. Failure to receive the notice shall in no way affect the validity of the assessment, the resulting tax, the procedures of any board of review or equalization, or the enforcement of delinquent taxes by statutory means.

Sec. 6. Minnesota Statutes 1986, section 273.124, subdivision 1, is amended to read:

Subdivision 1. [GENERAL RULE.] Residential real estate that is occupied and used for the purposes of a homestead by its owner, who must be a Minnesota resident, is a homestead. Dates for establishment of a homestead and homestead treatment provided to particular types of property are as provided in this section.

The assessor shall require proof, by affidavit or otherwise, of the facts upon which classification as a homestead may be determined.

For purposes of this section, homestead property shall include property which is used for purposes of the homestead but is separated from the homestead by a road, street, lot, waterway, or other similar intervening property. The term "used for purposes of the homestead" shall include but not be limited to uses for gardens, garages, or other outbuildings commonly associated with a homestead, but shall not include vacant land held primarily for future development. In order to receive homestead treatment for the noncontiguous property, the owner shall apply for it to the assessor by July 1 of the year when the treatment is initially sought. After initial qualification for the homestead treatment, additional applications for subsequent years are not required.

In the case of property owned by a married couple in joint tenancy or tenancy in common, the assessor must not deny homestead treatment in whole or in part if only one of the spouses is occupying the property and the other spouse is absent due to divorce or separation or is a resident of a nursing home or a boarding care facility.

If an individual is purchasing property with the intent of claiming it as a homestead, and is required by the terms of the financing agreement to have one or both parents shown on the deed as coowners, the assessor shall allow a full homestead classification and extend full homestead credit. The application for homestead benefits must be on a form prescribed by

the commissioner and must contain the data necessary for the assessor to determine if full homestead benefits are warranted.

Sec. 7. Minnesota Statutes 1986, section 273.124, subdivision 6, is amended to read:

Subd. 6. [LEASEHOLD COOPERATIVES.] When one or more dwellings or one or more buildings which each contain several dwelling units is owned by a nonprofit corporation subject to the provisions of chapter 317 or a limited partnership which corporation or partnership operates the property in conjunction with a cooperative association, homestead treatment may be claimed *by the cooperative association on behalf of the members of the cooperative* for each dwelling unit occupied by a member of the cooperative. *The cooperative association must provide the assessor with the social security numbers of those members.* To qualify for the treatment provided by this subdivision, the following conditions must be met: (a) the cooperative association must be organized under sections 308.05 to 308.18; (b) the cooperative association must have a lease for occupancy of the property for a term of at least 20 years; (c) to the extent permitted under state or federal law, the cooperative association must have a right under a written agreement with the owner to purchase the property if the owner proposes to sell it; if the cooperative association does not purchase the property when it is offered for sale, the owner may not subsequently sell the property to another purchaser at a price lower than the price at which it was offered for sale to the cooperative association unless the cooperative association approves the sale; and (d) if a limited partnership owns the property, it must include as the managing general partner either the cooperative association or a nonprofit organization operating under the provisions of chapter 317. Homestead treatment must be afforded to units occupied by members of the cooperative association and the units must be assessed as provided in subdivision 3, provided that any unit not so occupied shall be classified and assessed pursuant to the appropriate class. No more than three acres of land may, for assessment purposes, be included with each dwelling unit that qualifies for homestead treatment under this subdivision.

Sec. 8. Minnesota Statutes 1987 Supplement, section 273.13, subdivision 15a, is amended to read:

Subd. 15a. [GENERAL FUND, REPLACEMENT OF REVENUE.] (1) Payment from the general fund shall be made, as provided herein, for the purpose of replacing revenue lost as a result of the reduction of property taxes provided in subdivision 23.

(2) Each county auditor shall certify, not later than May 1 of each year to the commissioner of revenue the amount of reduction resulting from subdivision 23 in the auditor's county. This certification shall be submitted to the commissioner of revenue as part of the abstracts of tax lists required to be filed with the commissioner under the provisions of section 275.29. Any prior year adjustments shall also be certified in the abstracts of tax lists. The commissioner of revenue shall review such certifications to determine their accuracy. The commissioner may make such changes in the certification as are deemed necessary or return a certification to the county auditor for corrections.

(3) Based on current year tax data reported in the abstracts of tax lists, the commissioner of revenue shall annually determine the taxing district distribution of the amounts certified under clause (2). The commissioner

of revenue shall pay to each taxing district, other than school districts, its total payment for the year in equal installments on or before July 15 20 and December 15 of each year.

Sec. 9. Minnesota Statutes 1987 Supplement, section 273.13, subdivision 23, is amended to read:

Subd. 23. [CLASS 2.] (a) Class 2a property is agricultural land that is homesteaded, together with the house and garage. The first \$66,000 of market value of an agricultural homestead is valued at 30 percent. The remaining value of class 2a property is assessed at 40 percent of market value.

Noncontiguous land shall constitute class 2a only if the homestead is classified as class 2a and the detached land is located in the same township or city or not farther than two townships or cities or combination thereof from the homestead.

Agricultural land used for purposes of a homestead and actively farmed by a person holding a vested remainder interest in it must be classified class 2a. If agricultural land is classified class 2a, any other dwellings on the land used for purposes of a homestead by persons holding vested remainder interests who are actively engaged in farming the property, and up to one acre of the land surrounding each homestead and reasonably necessary for the use of the dwelling as a home, must also be assessed class 2a and is entitled to the homestead credit.

The tax to be paid on class 2a property, less any reduction received pursuant to sections 273.123 and 473H.10 shall be reduced by 52 percent of the tax. The amount of the reduction shall not exceed \$700.

(b) Class 2b property is (1) real estate, rural in character and used exclusively for growing trees for timber, lumber, and wood and wood products; and (2) real estate that is nonhomestead agricultural land. Class 2b property is assessed at 40 percent of market value.

Agricultural land as used in this section shall mean contiguous acreage of ten acres or more, primarily used during the preceding year for agricultural purposes. Agricultural use may include pasture, timber, waste, unusable wild land and land included in federal farm programs.

Real estate of less than ten acres used principally for raising poultry, livestock, fruit, vegetables or other agricultural products, *including the breeding of fish for sale and consumption*, shall be considered as agricultural land, if it is not used primarily for residential purposes.

The assessor shall determine and list separately on the records the market value of the homestead dwelling and the one acre of land on which that dwelling is located. If any farm buildings or structures are located on this homesteaded acre of land, their market value shall not be included in this separate determination.

Sec. 10. Minnesota Statutes 1987 Supplement, section 273.13, subdivision 25, is amended to read:

Subd. 25. [CLASS 4.] (a) Class 4a is residential real estate containing four or more units and used or held for use by the owner or by the tenants or lessees of the owner as a residence for rental periods of 30 days or more. Class 4a also includes hospitals licensed under sections 144.50 to 144.56, other than hospitals exempt under section 272.02, and contiguous property

used for hospital purposes, without regard to whether the property has been platted or subdivided. Class 4a property is assessed at 70 percent of market value.

(b) Class 4b includes:

(1) residential real estate containing less than four units, other than seasonal residential, recreational, and homesteads;

(2) post-secondary student housing not to exceed one acre of land which is owned by a nonprofit corporation organized under chapter 317 and is used exclusively by a sorority or fraternity organization for housing;

(3) manufactured homes not classified under any other provision; and

(4) a dwelling, garage, and surrounding one acre of property on a non-homestead farm classified under subdivision 23, paragraph (b).

Class 4b property is assessed at 60 percent for taxes levied in 1988, payable in 1989 and thereafter.

(c) Class 4c property includes:

(1) a structure that is situated on real property that is used for housing for the elderly or for low and moderate income families as defined by Title II of the National Housing Act or the Minnesota housing finance agency law of 1971 or rules promulgated by the agency pursuant thereto and financed by a direct federal loan or federally insured loan or a loan made by the Minnesota housing finance agency pursuant to the provisions of either of those acts and acts amendatory thereof. This clause applies only to property of a nonprofit or limited dividend entity. Property is classified as class 4c under this clause for 15 years from the date of the completion of the original construction or substantial rehabilitation, or for the original term of the loan;

(2) a structure that is:

(i) situated upon real property that is used for housing lower income families or elderly or handicapped persons, as defined in section 8 of the United States Housing Act of 1937, as amended; and

(ii) owned by an entity which has entered into a housing assistance payments contract under section 8 which provides assistance for 100 percent of the dwelling units in the structure, other than dwelling units intended for management or maintenance personnel. Property is classified as class 4c under this clause for the term of the housing assistance payments contract, including all renewals, or for the term of its permanent financing, whichever is shorter.

For all properties described in clauses (1) and (2) and in paragraph (d), clause (2), the market value determined by the assessor must be based on the normal approach to value using normal unrestricted rents.

(3) a parcel of land, not to exceed one acre, and its improvements or a parcel of unimproved land, not to exceed one acre, if it is owned by a neighborhood real estate trust and at least 60 percent of the dwelling units, if any, on all land owned by the trust are leased to or occupied by lower income families or individuals. This clause does not apply to any portion of the land or improvements used for nonresidential purposes. For purposes of this clause, a lower income family is a family with an income that does not exceed 65 percent of the median family income for the area, and a

lower income individual is an individual whose income does not exceed 65 percent of the median individual income for the area, as determined by the United States Secretary of Housing and Urban Development. For purposes of this clause, "neighborhood real estate trust" means an entity which is certified by the governing body of the municipality in which it is located to have the following characteristics: (a) it is a nonprofit corporation organized under chapter 317; (b) it has as its principal purpose providing housing for lower income families in a specific geographic community designated in its articles or bylaws; (c) it limits membership with voting rights to residents of the designated community; and (d) it has a board of directors consisting of at least seven directors, 60 percent of whom are members with voting rights and, to the extent feasible, 25 percent of whom are elected by resident members of buildings owned by the trust; and

(4) except as provided in paragraph (d), clause (1), real property devoted to temporary and seasonal residential occupancy for recreation purposes, including real property devoted to temporary and seasonal residential occupancy for recreation purposes and not devoted to commercial purposes for more than 200 days in the year preceding the year of assessment. For this purpose, property is devoted to commercial use on a specific day if it is used, or offered for use, and a fee is charged for the use. Class 4c also includes commercial use real property used exclusively for recreational purposes in conjunction with class 4c property devoted to temporary and seasonal residential occupancy for recreational purposes, up to a total of two acres, provided the property is not devoted to commercial recreational use for more than 200 days in the year preceding the year of assessment and is located within two miles of the class 4c property with which it is used. Class 4c property also includes the remainder of class 4d resorts; and

(5) real property up to a maximum of one acre of land owned by a nonprofit community service oriented organization; provided that the property is not used for a revenue-producing activity for more than six days in the calendar year preceding the year of assessment and the property is not used for residential purposes on either a temporary or permanent basis. For purposes of this clause, a "nonprofit community service oriented organization" means any corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious, fraternal, civic, or educational purposes, and which is exempt from federal income taxation pursuant to section 501(c)(3), (10), or (19) of the Internal Revenue Code of 1986, as amended through December 31, 1986. For purposes of this clause, "revenue-producing activities" shall include but not be limited to property or that portion of the property that is used as an on-sale intoxicating liquor or nonintoxicating malt liquor establishment licensed under chapter 340A, a restaurant open to the public, bowling alley, a retail store, gambling conducted by organizations licensed under chapter 349, an insurance business, or office or other space leased or rented to a lessee who conducts a for-profit enterprise on the premises. Any portion of the property which is used for revenue-producing activities for more than six days in the calendar year preceding the year of assessment shall be assessed as class 3a. The use of the property for social events open exclusively to members and their guests for periods of less than 24 hours, when an admission is not charged nor any revenues are received by the organization shall not be considered a revenue-producing activity; and

Class 4c property is assessed at 50 percent.

(d) Class 4d property includes:

(1) commercial use real property that abuts a lakeshore line and is devoted to temporary and seasonal residential occupancy for recreational purposes but not devoted to commercial purposes for more than 200 days in the year preceding the year of assessment, and that includes a portion used as a homestead by the owner. The area of the property that is classified as class 4d must not exceed 100 feet of lakeshore footage for each cabin or campsite located on the property up to a total of 800 feet and 500 feet in depth, measured away from the lakeshore;

(2) any structure:

(i) situated on real property that is used for housing for the elderly or for low and moderate income families as defined by the farmers home administration;

(ii) located in a municipality of less than 10,000 population; and

(iii) financed by a direct loan or insured loan from the farmers home administration. Property must be assessed under this clause for 15 years from the date of the completion of the original construction or for the original term of the loan.

The 30 percent and 50 percent assessment ratios apply to the properties described in paragraph (c), clauses (1) and (2) and this clause, only in proportion to occupancy of the structure by elderly or handicapped persons or low and moderate income families as defined in the applicable laws unless construction of the structure had been commenced prior to January 1, 1984; or the project had been approved by the governing body of the municipality in which it is located prior to June 30, 1983; or financing of the project had been approved by a federal or state agency prior to June 30, 1983. Classification under this clause is only available to property of a nonprofit or limited dividend entity; and

(3) the first \$34,000 of market value of real estate or manufactured homes used for the purposes of a homestead by

(i) any blind person, if the blind person is the owner thereof or if the blind person and the blind person's spouse are the sole owners thereof; or

(ii) any person, hereinafter referred to as "veteran," who:

(A) served in the active military or naval service of the United States; and

(B) is entitled to compensation under the laws and regulations of the United States for permanent and total service-connected disability due to the loss, or loss of use, by reason of amputation, ankylosis, progressive muscular dystrophies, or paralysis, of both lower extremities, such as to preclude motion without the aid of braces, crutches, canes, or a wheelchair; and

(C) with assistance by the administration of veterans affairs has acquired a special housing unit with special fixtures or movable facilities made necessary by the nature of the veteran's disability, or the surviving spouse of the deceased veteran for as long as the surviving spouse retains the special housing unit as a homestead; or

(iii) any person who:

(A) is permanently and totally disabled and

- (B) receives 90 percent or more of total income from
- (1) aid from any state as a result of that disability; or
 - (2) supplemental security income for the disabled; or
 - (3) workers' compensation based on a finding of total and permanent disability; or
 - (4) social security disability, including the amount of a disability insurance benefit which is converted to an old age insurance benefit and any subsequent cost of living increases; or
 - (5) aid under the Federal Railroad Retirement Act of 1937, United States Code Annotated, title 45, section 228b(a)5; or
 - (6) a pension from any local government retirement fund located in the state of Minnesota as a result of that disability.

Property is classified and assessed pursuant to this clause only if the commissioner of ~~human services~~ *revenue* certifies to the assessor that the owner of the property satisfies the requirements of this subdivision. ~~The commissioner of human services shall provide a copy of the certification to the commissioner of revenue.~~

The remaining value of class 4(d)(3) property in excess of \$34,000 shall be valued and assessed under subdivision 22 or 23, as appropriate, provided that only the value in excess of \$34,000 but not in excess of \$68,000 is assessed at the rate provided for the first tier of value in subdivision 22 or only the value in excess of \$34,000 but not in excess of \$66,000 is assessed at the rate provided for the first tier of value in subdivision 23.

Class 4d property is assessed at 30 percent of market value.

Sec. 11. Minnesota Statutes 1987 Supplement, section 273.1397, subdivision 2, is amended to read:

Subd. 2. [AID TO COUNTY.] A county whose preliminary aid amount is greater than zero shall receive a payment equal to the lesser of (1) the preliminary aid amount, or (2) 95 percent of the unreimbursed local share. The commissioner of revenue shall annually determine the amounts pursuant to this section and shall notify the county of the resulting income maintenance tax disparity aid amount. The commissioner of revenue shall pay to each affected county treasurer the county's total payment for the year in equal installments on or before July 15 20 and December 15 of each year.

Sec. 12. Minnesota Statutes 1986, section 273.40, is amended to read:

273.40 [ANNUAL TAX ON COOPERATIVE ASSOCIATIONS.]

Cooperative associations organized under the provisions of Laws 1923, chapter 326, and laws amendatory thereof and laws supplemental thereto, and engaged in electrical heat, light or power business upon a mutual, nonprofit, and cooperative plan in rural areas, as hereinafter defined, are hereby recognized as quasi-public in their nature and purposes; but such cooperative associations, which operate within the corporate limits of any city shall be assessed on the basis of 43 percent *have a tax capacity of 5.3 percent* of the market value of that portion of its property located within the corporate limits of any city as provided for in section 273.13, *subdivision 31.*

Sec. 13. Minnesota Statutes 1987 Supplement, section 275.07, subdivision 1, is amended to read:

Subdivision 1. The taxes voted by cities ~~and~~, towns, and school districts shall be certified by the proper authorities to the county auditor on or before October 10 in each year. ~~The taxes of a school district must be certified to the commissioner of education by October 10 in each year.~~ If a city, town, county, school district, or special district fails to certify its levy by that date, its levy shall be the amount levied by it for the preceding year. If the local unit notifies the commissioner of revenue, ~~or the commissioner of education in the case of a school district,~~ before October 10 of its inability to certify its levy by that date, and the commissioner is satisfied that the delay is unavoidable and is not due to the negligence of the local unit's officials or staff, the commissioner shall extend the time within which the local unit shall certify its levy up to 15 calendar days beyond the date of request for extension. For 1988 only, the commissioner may extend the certification time to November 7 if the requirements of this subdivision are met.

Sec. 14. Minnesota Statutes 1986, section 277.05, is amended to read:

277.05 [SHERIFF TO FILE LIST OF UNCOLLECTED TAXES.]

If the sheriff is unable, for want of goods and chattels whereon to levy, to collect by a distress, or otherwise, the taxes, or any part thereof, assessed upon the personal property of any persons, the sheriff shall file with the court administrator of the district court, on September first following, a list of such taxes, with an affidavit of the sheriff, or of the deputy sheriff entrusted with the collection thereof, stating that the affiant has made diligent search and inquiry for goods and chattels from which to collect such taxes, and is unable to collect the same. *The list of such taxes as they apply to manufactured homes shall be filed on December 1.* The sheriff shall note on the margin of such list the place to which any delinquent taxpayer may have removed, with the date of removal, if known. At the time of filing the list the sheriff shall also return all the warrants with endorsements thereon showing the doings of the sheriff or deputy in the premises, and the court administrator shall file and preserve the same. On or before September tenth thereafter, the court administrator shall deliver such list and affidavit to the county treasurer, who shall, by comparison of such list with the tax duplicates in the treasurer's office, ascertain whether or not all personal property taxes reported by the treasurer to the court administrator as delinquent, except those included in such list, have been paid into the treasurer's office, and shall attach to the list a certificate stating whether or not all taxes reported by the treasurer to the court administrator as delinquent and not included in the list have been received, and stating the items of such taxes, if any, as have been received. *The court administrator shall deliver such list and affidavit as they apply to manufactured homes on or before December 10.* The treasurer shall deliver such list and affidavit, with the certificate attached, to the county board at its first session thereafter, which shall cancel such taxes as it is satisfied cannot be collected. A copy of the tax list so revised, and also a separate list of the taxes so canceled, shall be included in the records of the proceedings of the board, and published in full, as a part of the proceedings.

Sec. 15. Minnesota Statutes 1986, section 277.06, is amended to read:

277.06 [CITATION TO DELINQUENTS; DEFAULT JUDGMENT.]

On October 20, or within ten days after the adjournment of the county board, whichever occurs first, the county auditor shall file a copy of such revised list with the court administrator of the district court, ~~and. The county auditor shall file a copy of the revised list as it applies to manufactured homes on January 20.~~ Within ten days ~~thereafter~~ after the list has been filed, the court administrator shall issue a citation to each delinquent named in the list, stating the amount of tax and penalty, and requiring such delinquent to appear on a day to be set by the district court in the county, appointed to be held at a time not less than 30 days after the issuance of such citation, and show cause, if any there be, why the delinquent should not pay the tax and penalty. The citation shall be delivered for service to the sheriff of the county where such person may at the time reside or be. If such person, after service of the citation, fails to pay such tax, penalty, and costs to the sheriff before the first day of the term, or on such day to show cause as aforesaid, the court shall direct judgment against the person for the amount of such tax, penalty, and costs. When unable to serve the citation, the sheriff shall return the same to the court administrator, with a return thereto to that effect, and thereupon, or if the court decides that the service of such citation made or attempted to be made, or the issuance thereof by the court administrator, was illegal, the court administrator shall issue another like citation, requiring such delinquent to appear on the first day of the next general term to be held in the county, and show cause as aforesaid, and if the delinquent fails to pay or to show cause, the court shall direct judgment as aforesaid. Whenever the sheriff has been unable to serve any such citation theretofore issued in any year or years, or whenever the court decides that the service of any such citation theretofore made or attempted to be made, or the issuance thereof by the court administrator, was illegal, the court administrator shall issue another like citation requiring such delinquent to appear, as in the case last provided, and with like effect; provided, that all citations other than the first shall be issued only on the request of the county attorney.

Sec. 16. Minnesota Statutes 1987 Supplement, section 279.01, subdivision 1, is amended to read:

Subdivision 1. Except as provided in subdivision 3, on May 16, of each year, with respect to property actually occupied and used as a homestead by the owner of the property, a penalty of three percent shall accrue and thereafter be charged upon all unpaid taxes on real estate on the current lists in the hands of the county treasurer, and a penalty of seven percent on nonhomestead property, except that this penalty shall not accrue until June 1 of each year on commercial use real property used for seasonal residential recreational purposes and classified as class 4d or 4c, and on other commercial use real property classified as class 3a, provided that over 60 percent of the gross income earned by the enterprise on the class 3a property is earned during the months of May, June, July, and August. Any property owner of such class 3a property who pays the first half of the tax due on the property after May 15 and before June 1 shall attach an affidavit to the payment attesting to compliance with the income provision of this subdivision. Thereafter, for both homestead and nonhomestead property, on the ~~16th~~ first day of each month, up to and including October ~~16~~ 1 following, an additional penalty of one percent for each month shall accrue and be charged on all such unpaid taxes. When the taxes against any tract or lot exceed \$50, one-half thereof may be paid prior to May 16; and, if so paid, no penalty shall attach; the remaining one-half shall be paid at any time prior to October 16 following, without penalty; but, if not

so paid, then a penalty of four percent shall accrue thereon for homestead property and a penalty of four percent on nonhomestead property. Thereafter, for homestead property, on the 16th day of each month up to and including December 16 first day of November and December following, an additional penalty of two percent for each month shall accrue and be charged on all such unpaid taxes. Thereafter, for nonhomestead property, on the 16th day of each month up to and including December 16 first day of November and December following, an additional penalty of four percent for each month shall accrue and be charged on all such unpaid taxes. If one-half of such taxes shall not be paid prior to May 16, the same may be paid at any time prior to October 16, with accrued penalties to the date of payment added, and thereupon no penalty shall attach to the remaining one-half until October 16 following.

A county may provide by resolution that in the case of a property owner that has multiple tracts or parcels with aggregate taxes exceeding \$50, payments may be made in installments as provided in this subdivision.

The county treasurer may accept payments of more or less than the exact amount of a tax installment due. If the accepted payment is less than the amount due, payments must be applied first to the penalty accrued for the year the payment is made. Acceptance of partial payment of tax does not constitute a waiver of the minimum payment required as a condition for filing an appeal under section 278.03 or any other law, nor does it affect the order of payment of delinquent taxes under section 280.39.

Sec. 17. Minnesota Statutes 1986, section 279.01, subdivision 3, is amended to read:

Subd. 3. In the case of class 1b agricultural homestead, class 2a agricultural homestead property, and class 2c agricultural nonhomestead property, no penalties shall attach to the second one-half property tax payment as provided in this section if paid by November 15. Thereafter for class 1b agricultural homestead and class 2a homestead property, on November 16 following, a penalty of six percent shall accrue and be charged on all such unpaid taxes and on December 16 1 following, an additional two percent shall be charged on all such unpaid taxes. Thereafter for class 2c agricultural nonhomestead property, on November 16 following, a penalty of eight percent shall accrue and be charged on all such unpaid taxes and on December 16 1 following, an additional four percent shall be charged on all such unpaid taxes.

If the owner of class 1b agricultural homestead, class 2a, or class 2c agricultural property receives a consolidated property tax statement that shows only an aggregate of the taxes and special assessments due on that property and on other property not classified as class 1b agricultural homestead, class 2a, or class 2c agricultural property, the aggregate tax and special assessments shown due on the property by the consolidated statement will be due on November 15 provided that at least 50 percent of the property's market value is classified class 1b agricultural, class 2a, or class 2c agricultural.

Sec. 18. Minnesota Statutes 1986, section 375.192, subdivision 1, is amended to read:

Subdivision 1. Notwithstanding section 270.07, upon written application by the owner of the property, the county board may grant a reduction, for the current year, of the assessed valuation of any real property in that

county which erroneously has been classified, for tax purposes, as non-homestead property, as is necessary to give it the assessed valuation which it would have received if it had been classified correctly. The application shall be made on a form prescribed by the commissioner of revenue. It shall include the social security number of the applicant and a statement of facts of ownership and occupancy. *The social security number of the property owner is private data on individuals as defined by section 13.02, subdivision 12.* It shall be sworn to by the owner of the property before an officer authorized to take acknowledgments. Before it is acted upon by the county board, the application shall be referred to the county assessor, or if the property is located in a city of the first class having a city assessor, to the city assessor, who shall investigate the facts and attach a report of the investigation to the application.

With respect to abatements relating to the current year's tax processed through June 30, the county auditor shall notify the commissioner of revenue on or before July 31 of that same year of all applications granted pursuant to this subdivision. With respect to abatements relating to the current year's tax processed after June 30 through the balance of the year, the county auditor shall notify the commissioner of revenue on or before the following January 31 of all applications granted pursuant to this subdivision. The form submitted by the county auditor shall be prescribed by the commissioner of revenue and shall contain the information which the commissioner deems necessary.

Sec. 19. Minnesota Statutes 1986, section 477A.015, is amended to read:

477A.015 [PAYMENT DATES.]

The commissioner of revenue shall make the payments of local government aid to affected taxing authorities in two installments on July 15 and December 15 annually.

The commissioner may pay all or part of the payment due on December 15 at any time after August 15 upon the request of a city that requests such payment as being necessary for meeting its cash flow needs.

Sec. 20. [ADJUSTMENT FOR CREDITS.]

A county auditor may make a final certification of prior year adjustments not previously claimed for wetlands credit and reimbursement, native prairie credit and reimbursement, small business credit, and the residential homestead credit and the agricultural school credit in the 1989 abstract of tax lists. The commissioner of revenue shall review such certifications to determine their accuracy and make changes as are deemed necessary. After they have been reviewed, the commissioner shall include these prior year adjustments in the 1989 aid payments.

Sec. 21. Laws 1987, chapter 268, article 6, section 54, is amended to read:

Sec. 54. [EFFECTIVE DATE.]

Except where provided otherwise, sections 1 to 13, and 15 to 53 are effective for taxes levied in 1988, payable in 1989, and thereafter. *Section 14 is effective for taxes payable in 1987 and thereafter.*

Sec. 22. [EFFECTIVE DATE.]

Sections 9, 12, and 13 are effective for taxes levied in 1988, payable

in 1989, and thereafter.

Sections 2, 3, and 21 are effective the day after final enactment.

ARTICLE 8

ASSESSORS

Section 1. Minnesota Statutes 1986, section 270.41, is amended to read:
270.41 [BOARD OF ASSESSORS.]

(a) A board of assessors is hereby created. The board shall be for the purpose of establishing, conducting, reviewing, supervising, coordinating or approving courses in assessment practices, and establishing criteria for determining assessor's qualifications. The board shall also have authority and responsibility to consider other matters relating to assessment administration brought before it by the commissioner of revenue. *The board may grant, renew, suspend, or revoke an assessor's license.* The board shall consist of nine members, who shall be appointed by the commissioner of revenue, in the manner provided herein.

1. Two from the department of revenue,
2. Two county assessors,
3. Two assessors who are not county assessors, one of whom shall be a township assessor, and
4. One from the private appraisal field holding a professional appraisal designation,
5. Two public members as defined by section 214.02.

The appointment provided in 2 and 3 may be made from two lists of not less than three names each, one submitted to the commissioner of revenue by the Minnesota association of assessing officers or its successor organization containing recommendations for the appointment of appointees described in 2, and one by the Minnesota association of assessors, inc. or its successor organization containing recommendations for the appointees described in 3. The lists must be submitted 30 days before the commencement of the term. In the case of a vacancy, a new list shall be furnished to the commissioner by the respective organization immediately. A member of the board who shall no longer be engaged in the capacity listed above shall automatically be disqualified from membership in the board.

The board shall annually elect a chair and a secretary of the board.

(b) *The board may refuse to grant or renew, or may suspend or revoke, a license of an applicant or licensee for any of the following causes or acts:*

- (1) *failure to complete required training;*
- (2) *inefficiency or neglect of duty;*
- (3) *"unprofessional conduct" which means knowingly neglecting to perform a duty required by law, or violation of the laws of this state relating to the assessment of property or unlawfully exempting property or listing property on the tax list at less than a specified targeted range of market value;*
- (4) *conviction of a crime involving moral turpitude; or*

(5) any other cause or act that in the board's opinion warrants a refusal to issue or suspension or revocation of a license.

(c) The board of assessors may adopt rules under chapter 14, defining or interpreting grounds for refusing to grant or renew, and for suspending or revoking a license under this section. An action of the board of assessors in refusing to grant or renew a license or in suspending or revoking a license is subject to review in accordance with chapter 14.

Sec. 2. Minnesota Statutes 1987 Supplement, section 270.485, is amended to read:

270.485 [SENIOR ACCREDITATION.]

The legislature finds that the property tax system would be enhanced by requiring that every county assessor and senior appraiser in the department of revenue's ~~property tax review~~ *local government services* division obtain senior accreditation from the state board of assessors. By January 1, 1989, every ~~county assessor and~~ senior appraiser, including the department's regional representatives, must obtain senior accreditation from the state board of assessors. *By June 30, 1990, or within one year of the first appointment under section 273.061, whichever is later, every county assessor must obtain senior accreditation from the state board of assessors.* The board shall provide the necessary courses or training. If a department senior appraiser or regional representative fails to obtain senior accreditation by January 1, 1989, the failure shall be grounds for dismissal, disciplinary action, or corrective action. *Except as provided in section 273.061, subdivision 2, paragraph (c), after December 30, 1988, the commissioner must not approve the appointment of a county assessor who is not senior accredited by the state board of assessors. No employee hired by the commissioner as a senior appraiser or regional representative after June 30, 1987, shall attain permanent status until the employee obtains senior accreditation.*

Sec. 3. Minnesota Statutes 1986, section 273.05, subdivision 1, is amended to read:

Subdivision 1. [APPOINTMENT OF TOWN AND CITY ASSESSORS.] Notwithstanding any other provision of law all town assessors shall be appointed by the town board, and notwithstanding any charter provisions to the contrary, all city assessors shall be appointed by the city council or other appointing authority as provided by law or charter. Such assessors shall be residents of the state but need not be a resident of the town or city for which they are appointed. They shall be selected and appointed because of their knowledge and training in the field of property taxation. All town and statutory city assessors shall be appointed for indefinite terms. *The term of the town or city assessors may be terminated at any time by the town board or city council on charges by the commissioner of revenue of inefficiency or neglect of duty.* Vacancies in the office of town or city assessor shall be filled within 90 days by appointment of the respective appointing authority indicated above. If the vacancy is not filled within 90 days, the office shall be terminated. When a vacancy in the office of town or city assessor is not filled by appointment, and it is imperative that the office of assessor be filled, the county auditor shall appoint some resident of the county as assessor for such town or city. The county auditor may appoint the county assessor as assessor for such town or city, in which case the town or city shall pay to the county treasurer the amount determined by the county auditor to be due for the services performed and expenses

incurred by the county assessor in acting as assessor for such town or city. The term of any town or statutory city assessor in a county electing in accordance with section 273.052 shall be terminated as provided in section 273.055.

The commissioner of revenue may recommend to the state board of assessors the nonrenewal, suspension, or revocation of an assessor's license as provided in sections 270.41 to 270.53.

Sec. 4. Minnesota Statutes 1987 Supplement, section 273.061, subdivision 1, is amended to read:

Subdivision 1. [OFFICE CREATED; APPOINTMENT, QUALIFICATIONS.] Every county in this state shall have a county assessor. The county assessor shall be appointed by the board of county commissioners and shall be a resident of this state. The assessor shall be selected and appointed because of knowledge and training in the field of property taxation and appointment shall be approved by the commissioner of revenue before the same shall become effective. Upon receipt by the county commissioners of the commissioner of revenue's refusal to approve an appointment, the term of the appointee shall terminate at the end of that day. Notwithstanding any law to the contrary, a county assessor must have senior accreditation from the state board of assessors by ~~January 1, 1989~~ June 30, 1990, or within one year of the assessor's first appointment under this section, whichever is later.

Sec. 5. Minnesota Statutes 1986, section 273.061, subdivision 2, is amended to read:

Subd. 2. [TERM; VACANCY.] (a) The terms of county assessors appointed under this section shall be four years. A new term shall begin on January 1 of every fourth year after 1973. When any vacancy in the office occurs, the board of county commissioners, within 30 days thereafter, shall fill the same by appointment for the remainder of the term, following the procedure prescribed in subdivision 1. The term of the county assessor may be terminated by the board of county commissioners at any time, on charges of inefficiency or neglect of duty by the commissioner of revenue. If the board of county commissioners does not intend to reappoint a county assessor who has been certified by the state board of assessors, the board shall present written notice to the county assessor not later than 90 days prior to the termination of the assessor's term, that it does not intend to reappoint the assessor. If written notice is not timely made, the county assessor will automatically be reappointed by the board of county commissioners.

The commissioner of revenue may recommend to the state board of assessors the nonrenewal, suspension, or revocation of an assessor's license as provided in sections 270.41 to 270.53.

(b) In the event of a vacancy in the office of county assessor, through death, resignation or other reasons, the deputy (or chief deputy, if more than one) shall perform the functions of the office. If there is no deputy, the county auditor shall designate a person to perform the duties of the office until an appointment is made as provided in clause (a). Such person shall perform the duties of the office for a period not exceeding 30 days during which the county board must appoint a county assessor. Such 30-day period may, however, be extended by written approval of the commissioner of revenue.

(c) *In the case of the first appointment under paragraph (a) of a county*

assessor who does not have senior accreditation, an approval of the appointment by the commissioner shall be for a term of one year. A county assessor appointed to a one-year term under this paragraph must reapply to the commissioner at the end of the one-year term. The commissioner shall not approve the appointment for the remainder of the four-year term unless the assessor has obtained senior accreditation.

Sec. 6. Minnesota Statutes 1987 Supplement, section 274.01, subdivision 1, is amended to read:

Subdivision 1. [ORDINARY BOARD; MEETINGS, DEADLINES, GRIEVANCES.] (a) The town board of a town, or the council or other governing body of a city, is the board of review except in cities whose charters provide for a board of equalization. The county assessor shall fix a day and time when the board or the board of equalization shall meet in the assessment districts of the county. On or before February 15 of each year the assessor shall give written notice of the time to the city or town clerk. Notwithstanding the provisions of any charter to the contrary, the meetings must be held between April 1 and May 31 each year. The clerk shall give published and posted notice of the meeting at least ten days before the date of the meeting. The board shall meet at the office of the clerk to review the assessment and classification of property in the town or city. *No changes in valuation may be made by the county assessor after the board of review or the county board of equalization has adjourned.*

(b) The board shall determine whether the taxable property in the town or city has been properly placed on the list and properly valued by the assessor. If real or personal property has been omitted, the board shall place it on the list with its market value, and correct the assessment so that each tract or lot of real property, and each article, parcel, or class of personal property, is entered on the assessment list at its market value. No assessment of the property of any person may be raised unless the person has been duly notified of the intent of the board to do so. On application of any person feeling aggrieved, the board shall review the assessment or classification, or both, and correct it as appears just.

(c) A local board of review may reduce assessments upon petition of the taxpayer but the total reductions must not reduce the aggregate assessment made by the county assessor by more than one percent. If the total reductions would lower the aggregate assessments made by the county assessor by more than one percent, none of the adjustments may be made. The assessor shall correct any clerical errors or double assessments discovered by the board of review without regard to the one percent limitation.

(d) A majority of the members may act at the meeting, and adjourn from day to day until they finish hearing the cases presented. The assessor shall attend, with the assessment books and papers, and take part in the proceedings, but must not vote. The county assessor, or an assistant delegated by the county assessor shall attend the meetings. The board shall list separately, on a form appended to the assessment book, all omitted property added to the list by the board and all items of property increased or decreased, with the market value of each item of property, added or changed by the board, placed opposite the item. The county assessor shall enter all changes made by the board in the assessment book.

(e) If a person fails to appear in person, by counsel, or by written communication before the board after being duly notified of the board's intent to raise the assessment of the property, or if a person feeling aggrieved

by an assessment or classification fails to apply for a review of the assessment or classification, the person may not appear before the county board of equalization for a review of the assessment or classification. This paragraph does not apply if an assessment was made after the board meeting, as provided in section 273.01, or if the person can establish not having received notice of market value at least five days before the local board of review meeting.

(f) The board of review or the board of equalization must complete its work and adjourn within 20 days from the time of convening stated in the notice of the clerk, unless a longer period is approved by the commissioner of revenue. No action taken after that date is valid. All complaints about an assessment or classification made after the meeting of the board must be heard and determined by the county board of equalization. A nonresident may, at any time, before the meeting of the board of review file written objections to an assessment or classification with the county assessor. The objections must be presented to the board of review at its meeting by the county assessor for its consideration.

ARTICLE 9

PARK TRAILERS

Section 1. Minnesota Statutes 1986, section 168.011, subdivision 4, is amended to read:

Subd. 4. [MOTOR VEHICLE.] "Motor vehicle" means any self-propelled vehicle not operated exclusively upon railroad tracks and any vehicle propelled or drawn by a self-propelled vehicle and includes vehicles known as trackless trolleys which are propelled by electric power obtained from overhead trolley wires but not operated upon rails, except snowmobiles and, manufactured homes, and park trailers. After July 31, 1985, motor vehicle does not include a three-wheel off-road vehicle as defined in section 84.92, subdivision 8; except that if the three-wheel off-road vehicle was licensed as a motor vehicle before August 1, 1985, the owner may continue to license it as a motor vehicle until it is conveyed or otherwise transferred to another owner, is destroyed, or fails to comply with the registration and licensing requirements of this chapter.

Sec. 2. Minnesota Statutes 1986, section 168.011, subdivision 8, is amended to read:

Subd. 8. [MANUFACTURED HOME AND; HOUSE TRAILER; PARK TRAILER.] (a) "Manufactured home" means any trailer or semitrailer which is designed, constructed, and equipped for use as a human dwelling place, living abode, or living quarters except house trailers has the meaning given in section 327.31, subdivision 6.

(b) "House trailer" means any trailer or semitrailer which is not more than eight feet in width and not more than 35 45 feet in length and which is designed, constructed, and equipped for use as a human dwelling place, living abode, or living quarters.

(c) "Park trailer" means a trailer or manufactured home that:

(1) exceeds eight feet in width but is no larger than 400 square feet when the collapsible components are fully extended, or at maximum horizontal width;

(2) is built on a single chassis, self-propelled or permanently towable

and requires a special permit under section 169.86 in order to move the trailer; and

(3) is used as a temporary living abode or living quarters.

Sec. 3. Minnesota Statutes 1986, section 168.012, subdivision 9, is amended to read:

Subd. 9. Manufactured homes shall not be taxed as motor vehicles using the public streets and highways and shall be exempt from the motor vehicle tax provisions of this chapter. Except as provided in section 274.19, manufactured homes shall be taxed as personal property. The provisions of Minnesota Statutes 1957, section 272.02 or any other act providing for tax exemption shall be inapplicable to manufactured homes, except such manufactured homes as are held by a licensed dealer and exempted as inventory. House trailers not used on the highway conspicuously displaying current registration plates during any calendar year shall be taxed as manufactured homes if occupied as human dwelling places. A park trailer that does not conspicuously display a current registration receipt as provided in section 7 shall be taxed as personal property.

Sec. 4. Minnesota Statutes 1986, section 168.013, subdivision 1, is amended to read:

Subdivision 1. [IMPOSITION.] Motor vehicles, except as set forth in section 168.012, using the public streets or highways in the state, and park trailers, shall be taxed in lieu of all other taxes thereon, except wheelage taxes, so-called, which may be imposed by any city as provided by law, and except gross earnings taxes paid by companies subject or made subject thereto, and shall be privileged to use the public streets and highways, on the basis and at the rate for each calendar year as hereinafter provided.

Sec. 5. Minnesota Statutes 1986, section 168.013, is amended by adding a subdivision to read:

Subd. 1j. [PARK TRAILERS.] Park trailers shall be taxed annually on the basis of total gross weight at 30 percent of the Minnesota base rate prescribed in subdivision 1e, but in no event less than \$5.

Sec. 6. Minnesota Statutes 1986, section 168.053, subdivision 2, is amended to read:

Subd. 2. Notwithstanding any provisions of subdivision 1 inconsistent herewith the provisions of sections 168.053 to 168.057 shall also apply to the delivery of new house trailers, park trailers, manufactured homes, sectional buildings, and semitrailers by towing methods whether or not the power unit is a part of the combination being delivered.

Sec. 7. [168.093] [REGISTRATION OF PARK TRAILERS.]

The motor vehicle registrar shall issue registration receipts for park trailers upon payment of annual registration taxes but shall not issue license plates or other insignia. The receipts must be in a form prescribed by the commissioner and must provide the name and address of the owner, the dimensions of the park trailer, and other information required by the registrar.

Sec. 8. Minnesota Statutes 1986, section 168.27, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For the purposes of this section, the

following terms have the meanings given them:

(1) "Leasing motor vehicles" means furnishing a motor vehicle for a fee under a bailor-bailee relationship where no incidences of ownership are intended to be transferred other than the right to use the vehicle for a stated period of time.

(2) "Brokering motor vehicles" means arranging sales between willing buyers and sellers of motor vehicles and receiving a fee for said service.

(3) "Wholesaling motor vehicles" means selling new or used motor vehicles to dealers for resale to the public.

(4) "Auctioning motor vehicles" means arranging for and handling the sale of motor vehicles, not the property of the auctioneer, to the highest bidder.

(5) "Dealer" includes new motor vehicle dealers, used motor vehicle dealers, brokers, wholesalers, auctioneers and lessors of new or used motor vehicles.

(6) "Commercial building" means a building adapted to commercial use and located in an area zoned for commercial or other less restrictive non-residential use by the governmental unit in which it is located.

(7) "Horse trailer" is a trailer designed and used to carry horses and other livestock, which has not more than three axles and a maximum gross weight capacity of not more than 24,000 pounds.

(8) "*Motor vehicle*" has the meaning given it in section 168.011, subdivision 4, and also includes a park trailer as defined in section 168.011, subdivision 8.

Sec. 9. Minnesota Statutes 1986, section 297B.01, subdivision 5, is amended to read:

Subd. 5. "Motor vehicle" means any self-propelled vehicle not operated exclusively upon railroad tracks and any vehicle propelled or drawn by a self-propelled vehicle and includes vehicles known as trackless trolleys which are propelled by electric power obtained from overhead trolley wires but not operated upon rails, except snowmobiles, for which registration is required by chapter 168, but not including house trailers or manufactured homes. *For purposes of taxation only under this section, "motor vehicle" includes park trailers defined in section 168.011, subdivision 8, paragraph (c).*

ARTICLE 10

PULL-TAB TAX

Section 1. Minnesota Statutes 1986, section 349.12, subdivision 18, is amended to read:

Subd. 18. [DEAL.] "Deal" means each separate package, or series of packages, consisting of one game of pull-tabs or tipboards with the same serial number ~~purchased from a distributor.~~

Sec. 2. Minnesota Statutes 1986, section 349.12, is amended by adding a subdivision to read:

Subd. 19. [IDEAL GROSS.] "*Ideal gross*" means the total amount of receipts that would be received if every individual ticket in the pull-tab or tipboard deal were sold at its face value.

Sec. 3. Minnesota Statutes 1986, section 349.12, is amended by adding a subdivision to read:

Subd. 20. [IDEAL NET.] "Ideal net" means the pull-tab or tipboard deal's ideal gross, as defined under subdivision 19, less the total predetermined prize amounts available to be paid out. When the prize is not a monetary one, the ideal net is 50 percent of the ideal gross.

Sec. 4. Minnesota Statutes 1987 Supplement, section 349.212, subdivision 1, is amended to read:

Subdivision 1. [RATE.] There is hereby imposed a tax on all lawful gambling, other than (1) pull-tabs purchased and placed into inventory after January 1, 1987, and (2) tipboards purchased and placed into inventory after June 30, 1988, conducted by organizations licensed by the board at the rate specified in this subdivision. The tax imposed by this subdivision is in lieu of the tax imposed by section 297A.02 and all local taxes and license fees except a fee authorized under section 349.16, subdivision 4.

On all lawful gambling, other than (1) pull-tabs purchased and placed into inventory after January 1, 1987, and (2) tipboards purchased and placed into inventory after June 30, 1988, the tax is ten percent of the gross receipts of a licensed organization from lawful gambling less prizes actually paid out, payable by the organization.

Sec. 5. Minnesota Statutes 1987 Supplement, section 349.212, subdivision 4, is amended to read:

Subd. 4. [PULL-TAB AND TIPBOARD TAX.] (a) There is imposed a tax on the sale of each deal of pull-tabs and tipboards sold by a licensed distributor to a licensed organization, or to an organization holding an exemption identification number. The rate of the tax is ten percent of the face resale value of all the pull-tabs in each deal less the total prizes which may be paid out on all the pull-tabs in that ideal net of the pull-tab and tipboard deal. The tax is payable to the commissioner of revenue in the manner prescribed in section 349.2121 and the rules of the commissioner. The commissioner shall pay the proceeds of the tax to the state treasurer for deposit in the general fund. The sales tax imposed by chapter 297A on the sale of the pull-tabs and tipboards by the licensed distributor to an organization is imposed on the retail sales price less the tax imposed by this subdivision. The retail sale of pull-tabs or tipboards by the organization is exempt from taxes imposed by chapter 297A if the tax imposed by this subdivision has been paid and is exempt from all local taxes and license fees except a fee authorized under section 349.16, subdivision 4.

(b) The liability for the tax imposed by this section is incurred when the pull-tabs and tipboards are delivered by the distributor to the licensed or exempt organization, to a common or contract carrier for delivery to the organization, or when received by the organization's authorized representative at the distributor's place of business, regardless of the distributor's method of accounting or the terms of the sale.

If a licensed organization or any organization holding an exemption number receives pull-tabs directly from the manufacturer and the manufacturer is not a licensed distributor, the distributor from whom the pull-tabs were purchased is liable for tax when the manufacturer delivers the pull-tabs to the organization, or to a contract or common carrier for delivery to the organization, or when the pull-tabs are received by the organization's

authorized representative at the manufacturer's place of business, regardless of the manufacturer's or the distributor's method of accounting or the terms of the sale.

(c) The exemptions contained in section 349.214, subdivision 2, paragraph (b), do not apply to the tax imposed in this subdivision.

Sec. 6. Minnesota Statutes 1986, section 349.2121, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION AND ISSUANCE.] Every distributor licensed by the board who sells pull-tabs and tipboards to organizations authorized to sell pull-tabs and tipboards under this chapter must file with the commissioner of revenue an application, on a form the commissioner prescribes, for a gambling tax identification number and gambling tax permit. The commissioner, when satisfied that the applicant has a valid license from the board, shall issue the applicant a permit and number. A permit is not assignable and is valid only for the distributor in whose name it is issued.

Sec. 7. Minnesota Statutes 1986, section 349.2121, subdivision 2, is amended to read:

Subd. 2. [RECORDS.] ~~The commissioner may by rule require a licensed distributor holding a permit under this section to keep such books, papers, documents, and records as the commissioner deems necessary to the enforcement of this chapter. The commissioner may examine, or cause to be examined, any books, papers, records, or other documents relevant to making a determination, whether they are in the possession of a distributor or another person or corporation. The commissioner may require the attendance of any persons having knowledge or information in the premises, to compel the production of books, papers, records, or memoranda by persons so required to attend, to take testimony on matters material to a determination, and to administer oaths or affirmations. A distributor shall keep at each licensed place of business complete and accurate records for that place of business, including itemized invoices of pull-tabs and tipboards held, purchased, manufactured, or brought in or caused to be brought in from without this state, and of all sales of pull-tabs and tipboards. The records must show the names and addresses of purchasers, the inventory at the close of each period for which a return is required of all pull-tab and tipboard deals on hand, and other pertinent papers and documents relating to the purchase, sale, or disposition of pull-tab and tipboard deals. Books, records, and other papers and documents required by this section must be kept for a period of at least three and one-half years after the date of the documents, or the date of the entries appearing in the records, unless the commissioner authorizes in writing their destruction or disposal at an earlier date. At any time during usual business hours, the commissioner, executive secretary of the charitable gambling control board, or any of their duly authorized agents or employees, may enter a place of business of a distributor, charitable organization, or any site from which pull-tabs or tipboards are being sold, without a search warrant, and inspect the premises and the records required to be kept under this section to determine whether there is full compliance with the provisions of this section. If the commissioner, executive secretary, or their duly authorized agents or employees are denied free access to or are hindered or interfered with in making an inspection of the distributor's place of business, the permit of the distributor may be revoked by the commissioner,~~

and the license of the distributor may be revoked by the charitable gambling control board.

Sec. 8. Minnesota Statutes 1986, section 349.2121, is amended by adding a subdivision to read:

Subd. 2a. A distributor who sells pull-tabs and tipboards to persons other than the ultimate consumer shall give with each sale an itemized invoice showing the distributor's name and address, the purchaser's name and address, the date of the sale, description of the deals including the ideal net amounts, and all prices and discounts, and shall keep legible copies of all the itemized invoices for three and one-half years from the date of sale.

Sec. 9. Minnesota Statutes 1987 Supplement, section 349.2121, subdivision 4a, is amended to read:

Subd. 4a. [REFUND.] If any deal of pull-tabs or tipboards registered with the board and upon which the tax imposed by section 349.212, subdivision 4, has been paid is returned unplayed to the distributor, the commissioner of revenue shall allow a refund of the tax paid.

In the case of a defective deal registered with the board and upon which the taxes have been paid is returned to the manufacturer, the distributor shall submit to the commissioner of revenue certification from the manufacturer that the deal was returned and in what respect it was defective. The certification must be in a form prescribed by the commissioner and must contain additional information the commissioner requires.

The commissioner may require that no refund under this subdivision be made unless the returned pull-tabs or tipboards have been set aside for inspection by the commissioner's employee.

Reductions in previously paid taxes authorized by this subdivision shall be made at the time and in the manner prescribed by the commissioner.

Sec. 10. Minnesota Statutes 1986, section 349.2121, subdivision 5, is amended to read:

Subd. 5. [INFORMATION CONFIDENTIAL PUBLIC INFORMATION.] Neither the commissioner nor any other public official or employee may divulge or otherwise make known in any manner any particulars disclosed in any report or return required by this section, or any information concerning the affairs of the distributor making the return acquired from its records, officers, or employees while examining or auditing under the authority of this chapter, except in connection with a proceeding involving taxes due under this chapter. Nothing herein prohibits the commissioner from publishing statistics so classified as not to disclose the identity of particular returns or reports and their contents. Any person violating the provisions of this section is guilty of a gross misdemeanor.

Notwithstanding the provisions of this section, the commissioner may furnish information on a reciprocal basis to the taxing officials of another state or the board in order to implement the purposes of this chapter.

In order to facilitate processing of returns and payments of taxes required by this chapter, the commissioner may contract with outside vendors and may disclose private and nonpublic data to the vendor. The data disclosed must be administered by the vendor consistent with this section. All records

concerning the administration of the pull-tab and tipboard taxes are classified as public information.

Sec. 11. Minnesota Statutes 1987 Supplement, section 349.2121, subdivision 10, is amended to read:

Subd. 10. [UNTALED PULL-TABS OR TIPBOARDS.] It is a gross misdemeanor for any person to possess pull-tabs or tipboards for resale in this state that have not been registered with the board, for which a registration stamp has not been affixed to the flare, and upon which the taxes imposed by section 349.212, subdivision 4, or chapter 297A have not been paid. The executive secretary of the charitable gambling control board or the commissioner of revenue or their designated inspectors and employees may seize in the name of the state of Minnesota any unregistered or untaxed pull-tabs or tipboards.

Sec. 12. Minnesota Statutes 1987 Supplement, section 349.2122, is amended to read:

349.2122 [MANUFACTURERS; REPORTS TO THE COMMISSIONER; PENALTY.]

A manufacturer registered with the board who sells pull-tabs and tipboards to a distributor licensed by the board must file with the commissioner of revenue, on a form prescribed by the commissioner, a report of pull-tabs and tipboards sold to licensed distributors. The report must be filed monthly on or before the 25th day of the month succeeding the month in which the sale was made. Any person violating this section shall be guilty of a misdemeanor.

Sec. 13. Minnesota Statutes 1987 Supplement, section 349.2123, is amended to read:

349.2123 [CERTIFIED PHYSICAL INVENTORY.]

The commissioner of revenue may, upon request, require a ~~pull-tab~~ licensed distributor to furnish a certified physical inventory of the pull-tabs and tipboards in stock. The inventory must contain the information required by the commissioner.

Sec. 14. [349.2125] [CONTRABAND.]

Subdivision 1. [CONTRABAND DEFINED.] The following are declared to be contraband:

(1) all pull-tab or tipboard deals that do not have stamps affixed to them as provided in section 349.162;

(2) all pull-tab or tipboard deals in the possession of any unlicensed organization whether stamped or unstamped;

(3) any container used for the storage and display of any contraband pull-tab or tipboard deals as defined in clauses (1) and (2) of this subdivision;

(4) any cash drawer, cash register, or any other container used for illegal pull-tab or tipboard transactions including its contents; and

(5) any device including, but not limited to, motor vehicles, trailers, snowmobiles, airplanes, and boats used, with the knowledge of the owner or of a person operating with the consent of the owner, for the storage or transportation of more than five pull-tab or tipboard deals that are contraband under this subdivision. When pull-tabs and tipboards are being

transported in the course of interstate commerce, or from one distributor to another, the pull-tab and tipboard deals are not contraband, notwithstanding the provisions of clause (1).

Subd. 2. [SEIZURE.] Pull-tabs or tipboards or other property made contraband by subdivision 1 may be seized by the commissioner of revenue or the executive secretary of the charitable gambling control board or their authorized agents or by any sheriff or other police officer, hereinafter referred to as the seizing authority, with or without process, and shall be subject to forfeiture as provided in subdivisions 3 and 4.

Subd. 3. [INVENTORY; JUDICIAL DETERMINATION; APPEAL; DISPOSITION OF SEIZED PROPERTY.] Within two days after the seizure of any alleged contraband, the person making the seizure shall deliver an inventory of the property seized to the person from whom the property was seized, if known, and file a copy with the commissioner or the executive secretary of the charitable gambling control board. Within ten days after the date of service of the inventory, the person from whom the property was seized or any person claiming an interest in the property may file with the seizing authority a demand for judicial determination of whether the property was lawfully subject to seizure and forfeiture. Within 30 days after the date of filing of the demand, the seizing authority shall bring an action in the district court of the county where seizure was made to determine the issue of forfeiture. The action shall be brought in the name of the state and shall be prosecuted by the county attorney or by the attorney general. The court shall hear the action without a jury and determine the issues of fact and laws involved. When a judgment of forfeiture is entered, the seizing authority may, unless the judgment is stayed pending an appeal, either (1) cause the forfeited property to be destroyed; or (2) cause it to be sold at a public auction as provided by law.

If demand for judicial determination is made and no action is commenced as provided in this subdivision, the property shall be released by the seizing authority and delivered to the person entitled to it. If no demand is made, the property seized shall be considered forfeited to the state by operation of law and may be disposed of by the seizing authority as provided where there has been a judgment of forfeiture. When the seizing authority is satisfied that a person from whom property is seized was acting in good faith and without intent to evade the tax imposed by section 349.2121, subdivision 4, the seizing authority shall release the property seized without further legal proceedings.

Subd. 4. [DISPOSAL.] The property described in subdivision 1, clauses 4 and 5, shall be confiscated after conviction of the person from whom it was seized, upon compliance with the following procedure: the seizing authority shall file with the court a separate complaint against the property, describing it and charging its use in the specific violation, and specifying substantially the time and place of the unlawful use. A copy of the complaint must be served upon the defendant or person in charge of the property at the time of seizure, if any. If the person arrested is acquitted, the court shall dismiss the complaint against the property and order it returned to the persons legally entitled to it. Upon conviction of the person arrested, the court shall issue an order directed to any person known or believed to have any right, title or interest in, or lien upon, any of the property, and to persons unknown claiming any right, title, interest, or lien in it, describing the property and (1) stating that it was seized and that a complaint against it, charging the specified violation, has been filed

with the court, (2) requiring the persons to file with the court administrator their answer to the complaint, setting forth any claim they may have to any right or title to, interest in, or lien upon the property, within 30 days after the service of the order; and (3) notifying them in substance that if they fail to file their answer within the time, the property will be ordered sold by the seizing authority. The court shall cause the order to be served upon any person known or believed to have any right, title, interest, or lien as in the case of a summons in a civil action, and upon unknown persons by publication, as provided for service of summons in a civil action. If no answer is filed within the time prescribed, the court shall, upon affidavit by the court administrator, setting forth the fact, order the property sold by the seizing authority. The proceeds of the sale, after deducting the expense of keeping the property and fees and costs of sale, must be paid into the state treasury and credited to the general fund. If an answer is filed within the time provided, the court shall fix a time for a hearing, which shall be not less than ten nor more than 30 days after the time for filing an answer expires. At the time fixed for hearing, unless continued for cause, the matter shall be heard and determined by the court, without a jury, as in other civil actions.

If the court finds that the property, or any part of it, was used in the violation specified in the complaint, it shall order the property unlawfully used to be sold as provided by law, unless the owner shows to the satisfaction of the court that the owner had no notice or knowledge or reason to believe that the property was used or intended to be used in the violation. The officer making a sale, after deducting the expense of keeping the property, the fee for seizure, and the costs of the sale, shall pay all liens according to their priority, which are established at the hearing as being bona fide and as existing without the lienor having any notice or knowledge that the property was being used or was intended to be used for or in connection with the violation specified in the order of the court, and shall pay the balance of the proceeds into the state treasury to be credited to the general fund. A sale under this section shall free the property sold from any and all liens on it. Appeal from the order of the district court will lie as in other civil cases. At any time after seizure of the articles specified in this subdivision, and before the hearing provided for, the property shall be returned to the owner or person having a legal right to its possession, upon execution of a good and valid bond to the state, with corporate surety, in the sum of not less than \$100 and not more than double the value of the property seized, to be approved by the court in which the case is triable, or a judge of it, conditioned to abide any order and the judgment of the court, and to pay the full value of the property at the time of the seizure. The seizing authority may dismiss the proceedings outlined in this subdivision when the seizing authority considers it to be in the best interests of the state to do so.

Sec. 15. [349.2126] [PROHIBITIONS.]

Subdivision 1. [COUNTERFEITING.] No person shall with intent to defraud the state, make, alter, forge, or counterfeit any license or stamp provided for in this chapter, or have in possession any forged, spurious, or altered stamps, with the intent, or with the result of, depriving the state of the tax imposed by this chapter.

Subd. 2. [PROHIBITION AGAINST POSSESSION.] No person, other than a licensed distributor, shall sell, offer for sale, or have in possession with intent to sell or offer for sale, a pull-tab or tipboard deal not stamped

in accordance with the provisions of this chapter.

Subd. 3. [FALSIFICATION OF RECORDS.] No person required by section 349.2121, subdivision 2, to keep records or to make returns shall falsify or fail to keep the records or falsify or fail to make the returns.

Subd. 4. [TRANSPORTING UNSTAMPED DEALS.] No person shall transport into, or receive, carry, or move from place to place in this state, any deals of pull-tabs or tipboards not stamped in accordance with this chapter except in the course of interstate commerce, unless the deals are moving from one distributor to another.

Sec. 16. Minnesota Statutes 1986, section 349.22, subdivision 1, is amended to read:

Subdivision 1. [GROSS MISDEMEANOR.] Any other violation of sections 349.11 to 349.214 is a person who in any manner tries to evade the tax imposed by this chapter, or who aids and abets in evasion of the tax, or hinders or interferes with a seizing authority when a seizure is made as provided by section 349.2125, is guilty of a gross misdemeanor.

Sec. 17. Minnesota Statutes 1986, section 349.22, is amended by adding a subdivision to read:

Subd. 3. [FELONY.] (a) A person violating section 349.2126, subdivision 1 or 3, is guilty of a felony.

(b) A person violating section 349.2126, subdivisions 2 and 4, by possessing, receiving, or transporting more than ten pull-tab or tipboard deals not stamped in accordance with this chapter is guilty of a felony.

Sec. 18. Minnesota Statutes 1986, section 349.22, is amended by adding a subdivision to read:

Subd. 4. [SALES AFTER REVOCATION.] A person selling pull-tabs or tipboards after the person's license or permit has been revoked is guilty of a felony.

Sec. 19. [EFFECTIVE DATE.]

Sections 1 to 4 and 6 to 18 are effective July 1, 1988. Section 5 is effective for deals of tipboards purchased and placed into inventory after June 30, 1988.

ARTICLE 11

SALES TAX

Section 1. Minnesota Statutes 1987 Supplement, section 297A.01, subdivision 3, is amended to read:

Subd. 3. A "sale" and a "purchase" includes, but is not limited to, each of the following transactions:

(a) Any transfer of title or possession, or both, of tangible personal property, whether absolutely or conditionally, and the leasing of or the granting of a license to use or consume tangible personal property other than manufactured homes used for residential purposes for a continuous period of 30 days or more, for a consideration in money or by exchange or barter;

(b) The production, fabrication, printing or processing of tangible personal property for a consideration for consumers who furnish either directly

or indirectly the materials used in the production, fabrication, printing or processing;

(c) The furnishing, preparing or serving for a consideration of food, meals or drinks, not including meals or drinks served to patients or persons residing at hospitals, sanatoriums, nursing homes or senior citizens homes, meals or drinks purchased for and served exclusively to individuals who are 60 years of age or over and their spouses or to the handicapped and their spouses by governmental agencies, nonprofit organizations, agencies, or churches or pursuant to any program funded in whole or part through 42 USCA sections 3001 through 3045, wherever delivered, prepared or served, meals and lunches served at public and private schools, universities or colleges. "Sales" also includes meals furnished by employers to employees at less than fair market value, *except meals furnished at no charge to employees of hospitals, sanitariums, or group homes who are required to eat with the patients or residents residing in them*. Notwithstanding section 297A.25, subdivision 2, taxable food or meals include, but are not limited to, the following:

(i) heated food or drinks;

(ii) sandwiches prepared by the retailer;

(iii) single sales of prepackaged ice cream or ice milk novelties prepared by the retailer;

(iv) hand-prepared or dispensed ice cream or ice milk products including cones, sundaes, and snow cones;

(v) soft drinks and other beverages prepared or served by the retailer;

(vi) gum;

(vii) ice;

(viii) all food sold in vending machines;

(ix) party trays prepared by the retailers; and

(x) all meals and single servings of packaged snack food, single cans or bottles of pop, sold in restaurants and bars;

(d) The granting of the privilege of admission to places of amusement, recreational areas, or athletic events and the privilege of having access to and the use of amusement devices, tanning facilities, reducing salons, steam baths, turkish baths, massage parlors, health clubs, and spas or athletic facilities;

(e) The furnishing for a consideration of lodging and related services by a hotel, rooming house, tourist court, motel or trailer camp and of the granting of any similar license to use real property other than the renting or leasing thereof for a continuous period of 30 days or more;

(f) The furnishing for a consideration of electricity, gas, water, or steam for use or consumption within this state, or local exchange telephone service, intrastate toll service, and interstate toll service, if that service originates from and is charged to a telephone located in this state; the tax imposed on amounts paid for telephone services is the liability of and shall be paid by the person paying for the services. Sales by municipal corporations in a proprietary capacity are included in the provisions of this clause. The furnishing of water and sewer services for residential use shall not be considered a sale;

(g) The furnishing for a consideration of cable television services, including charges for basic monthly service, charges for monthly premium service, and charges for any other similar television services;

(h) Notwithstanding subdivision 4, and section 297A.25, subdivision 9, the sales of horses including claiming sales and fees paid for breeding a stallion to a mare. This clause applies to sales and fees with respect to a horse to be used for racing whose birth has been recorded by the Jockey Club or the United States Trotting Association or the American Quarter Horse Association;

(i) The furnishing for a consideration of parking services, whether on a contractual, hourly, or other periodic basis, except for parking at a meter;

(j) The furnishing for a consideration of services listed in this paragraph:

(i) laundry and dry cleaning services including cleaning, pressing, repairing, altering, and storing clothes, linen services and supply, cleaning and blocking hats, and carpet, drapery, upholstery, and industrial cleaning. Laundry and dry cleaning services do not include services provided by coin operated facilities operated by the customer;

(ii) motor vehicle washing, waxing, and cleaning services, including services provided by coin-operated facilities operated by the customer, and rustproofing, undercoating, and towing of motor vehicles;

(iii) building and residential cleaning, maintenance, and disinfecting and exterminating services;

(iv) services provided by detective agencies, security services, burglar, fire alarm, and armored car services;

(v) pet grooming services; and

(vi) lawn care, fertilizing, mowing, spraying and sprigging services; garden planting and maintenance; arborist services; tree, bush, and shrub planting, pruning, bracing, spraying, and surgery; and tree trimming for public utility lines.

The services listed in this paragraph are taxable under section 297A.02 if the service is performed wholly within Minnesota or if the service is performed partly within and partly without Minnesota and the greater proportion of the service is performed in Minnesota, based on the cost of performance. In applying the provisions of this chapter, the terms "tangible personal property" and "sales at retail" include taxable services and the provision of taxable services, unless specifically provided otherwise. Services performed by an employee for an employer are not taxable under this paragraph. Services performed by a ~~corporation~~, partnership, or association for another ~~corporation~~, partnership, or association are not taxable under this paragraph if one of the entities owns or controls more than 80 percent of the voting power of the equity interest in the other entity. *Services performed between members of an affiliated group of corporations are not taxable. For purposes of this section, "affiliated group of corporations" includes those entities that would be classified as a member of an affiliated group under United States Code, title 26, section 1504, and who are eligible to file a consolidated tax return for federal income tax purposes;*

(k) A "sale" and a "purchase" includes the transfer of computer software, meaning information and directions that dictate the function performed by

data processing equipment. A "sale" and a "purchase" does not include the design, development, writing, translation, fabrication, lease, or transfer for a consideration of title or possession of a custom computer program; and

(1) The granting of membership in a club, association, or other organization if:

(1) the club, association, or other organization makes available for the use of its members sports and athletic facilities (without regard to whether a separate charge is assessed for use of the facilities); and

(2) use of the sports and athletic facilities is not made available to the general public on the same basis as it is made available to members.

Granting of membership includes both one-time initiation fees and periodic membership dues. Sports and athletic facilities include golf courses, tennis, racquetball, handball and squash courts, basketball and volleyball facilities, running tracks, exercise equipment, swimming pools, and other similar athletic or sports facilities. The provisions of this paragraph do not apply to camps or other recreation facilities owned and operated by an exempt organization under section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1986, for educational and social activities for young people primarily age 18 and under. ~~The provisions of this paragraph do not apply to an association incorporated under section 315.44.~~

Sec. 2. Minnesota Statutes 1986, section 297A.15, subdivision 1, is amended to read:

Subdivision 1. Liability for the payment of the use tax is not extinguished until the tax has been paid to Minnesota. However, a receipt from a retailer ~~maintaining a place of business in Minnesota, or from a retailer who is authorized by the commissioner under such rules as the commissioner may prescribe, to collect the tax,~~ given to the purchaser pursuant to section 297A.16 relieves the purchaser of further liability for the tax to which the receipt refers, *unless the purchaser knows or has reason to know that the retailer did not have a permit to collect the tax.*

Sec. 3. Minnesota Statutes 1986, section 297A.15, subdivision 5, is amended to read:

Subd. 5. [REFUND; APPROPRIATION.] Notwithstanding the provisions of sections 297A.02, subdivision 2, and 297A.257 the tax on sales of capital equipment, and construction materials and supplies under section 297A.257, shall be imposed and collected as if the rate under section 297A.02, subdivision 1, applied. Upon application by the purchaser, on forms prescribed by the commissioner, a refund equal to the reduction in the tax due as a result of the application of the rates under section 297A.02, subdivision 2, or the exemption under section 297A.257 shall be paid to the purchaser. In the case of building materials qualifying under section 297A.257 where the tax was paid by a contractor, application must be made by the owner for the sales tax paid by all the contractors, subcontractors, and builders for the project. The application must include sufficient information to permit the commissioner to verify the sales tax paid for the project. The application shall include information necessary for the commissioner initially to verify that the purchases qualified as capital equipment under section 297A.02, subdivision 2, or capital equipment or construction materials and supplies under section 297A.257. No more than two applications

for refunds may be filed under this subdivision in a calendar year. Unless otherwise specifically provided by this subdivision, the provisions of section 297A.34 apply to the refunds payable under this subdivision. There is annually appropriated to the commissioner of revenue the amount required to make the refunds.

The amount to be refunded shall bear interest at the rate in section 270.76 from the date the refund claim is filed with the commissioner.

Sec. 4. Minnesota Statutes 1986, section 297A.16, is amended to read:

297A.16 [COLLECTION OF TAX AT TIME OF SALE.]

~~Any corporation authorized to do business in Minnesota; any retailer as defined in who is required under section 297A.21; or any other retailer as the commissioner shall authorize pursuant to section 297A.15; or authorized by the commissioner to collect the use tax upon making retail sales of any items enumerated in this chapter not exempted under sections 297A.01 to 297A.44; to which the use tax applies shall at the time of making such sales collect the use tax from the purchaser and give to the purchaser a receipt therefor in the form of a notation on the sales slip or receipt for the sales price or in such other form as prescribed by the commissioner. Any such corporation or retailer shall not collect the tax from a purchaser who furnishes to such corporation or retailer a copy of a certificate issued by the commissioner authorizing such purchaser to pay any sales or use tax due on purchases made by such purchaser directly to the commissioner. The tax collected by such corporation or retailer pursuant to the provisions of this section shall be remitted to the commissioner as provided in other sections of this chapter.~~

~~Any corporation or any retailer required to collect the use tax and remit such tax to the commissioner pursuant to this section shall file with the commissioner an application for a permit pursuant to section 297A.04. Every such corporation or retailer shall furnish the commissioner with the name and address of all its agents operating in Minnesota and the location of each of its distribution or sales houses or offices or other places of business in this state.~~

Sec. 5. Minnesota Statutes 1986, section 297A.17, is amended to read:

297A.17 [TAX TO BE COLLECTED; STATUS AS DEBT.]

The use tax required to be collected by the retailer constitutes a debt owed by the retailer to Minnesota and shall be a debt from the purchaser to the retailer recoverable at law in the same manner as other debts. *A retailer who does not maintain a place of business within this state shall not be indebted to Minnesota for amounts of use tax which it was required to collect but did not collect unless the retailer knew or had been advised by the commissioner of its obligation to collect the use tax.*

Sec. 6. Minnesota Statutes 1986, section 297A.21, is amended to read:

297A.21 [REGISTRATION; INFORMATION RELATING TO BUSINESS LOCATION TO COLLECT USE TAX.]

~~Subdivision 1. Every retailer making retail sales for storage, use or other consumption in Minnesota shall register with the commissioner and give the name and address of all agents operating in Minnesota; the location of all distribution or sales houses, offices or other places of business in Minnesota; and such other information as the commissioner may require. When-~~

in the opinion of the commissioner, it is necessary for the efficient administration of sections 297A.14 to 297A.25 to regard any salesperson, representative, trucker, peddler, or canvasser as the agent of the dealer, distributor, supervisor, employer, or other person under whom that person operates or from whom the person obtains the tangible personal property sold, whether making sales personally or in behalf of such dealer, distributor, supervisor, employer, or other person, the commissioner may regard the salesperson, representative, trucker, peddler, or canvasser as such agent, and may regard the dealer, distributor, supervisor, employer, or other person as a retailer for the purposes of sections 297A.14 to 297A.25.

Subd. 2. [RETAILER MAINTAINING PLACE OF BUSINESS IN MINNESOTA.] "Retailer maintaining a place of business in this state", or any like term, shall mean any retailer having or maintaining within this state, directly or by a subsidiary, an office, distribution house, sales house, warehouse, or other place of business, or any agent operating within this state under the authority of the retailer or its subsidiary, whether such place of business or agent is located in the state permanently or temporarily, or whether or not such retailer or subsidiary is authorized to do business within this state.

Subd. 2. [DESTINATION.] *The destination of a sale is the location to which the retailer makes delivery of the property sold, or causes the property to be delivered, to the purchaser of the property, or to the agent or designee of the purchaser by any means of delivery, including the United States Postal Service, a common carrier, or a contract carrier.*

Subd. 3. [OUT-OF-STATE RETAILER MAINTAINING PLACE OF BUSINESS IN MINNESOTA.] *A retailer making retail sales from outside this state to a destination within this state and maintaining a place of business in this state shall file an application for a permit pursuant to section 297A.04 and shall collect and remit the use tax as provided in section 297A.16.*

Subd. 4. [REQUIRED REGISTRATION BY OUT-OF-STATE RETAILER NOT MAINTAINING PLACE OF BUSINESS IN MINNESOTA.] *(a) A retailer making retail sales from outside this state to a destination within this state and not maintaining a place of business in this state shall file an application for a permit pursuant to section 297A.04 and shall collect and remit the use tax as provided in section 297A.16 if the retailer engages in the regular or systematic soliciting of sales from potential customers in this state by:*

(1) the distribution, by mail or otherwise, without regard to the state from which such distribution originated or in which the materials were prepared, of catalogs, periodicals, advertising flyers, or other written solicitations of business to customers in this state;

(2) display of advertisements on billboards or other outdoor advertising in this state;

(3) advertisements in newspapers published in this state;

(4) advertisements in trade journals or other periodicals the circulation of which is primarily within this state;

(5) advertisements in a Minnesota edition of a national or regional publication or a limited regional edition in which this state is included of a broader regional or national publication which are not placed in other

geographically defined editions of the same issue of the same publication;

(6) advertisements broadcast on a radio or television station located in Minnesota; or

(7) any other solicitation by telegraphy, telephone, computer data base, cable, optic, microwave, or other communication system.

(b) The location within or without this state of vendors independent of the retailer which provide products or services to the retailer in connection with its solicitation of customers within this state, including such products and services as creation of copy, printing, distribution, and recording, is not to be taken into account in the determination of whether the retailer is required to collect use tax. Paragraph (a) shall be construed without regard to the state from which distribution of the materials originated or in which they were prepared.

(c) A retailer not maintaining a place of business in this state shall be presumed, subject to rebuttal, to be engaged in regular solicitation within this state if it engages in any of the activities in paragraph (a) and makes 100 or more retail sales from outside this state to destinations within this state during a period of 12 consecutive months.

(d) A retailer not maintaining a place of business in this state shall not be required to collect use tax imposed by any local governmental unit or subdivision of this state and this section does not subject such a retailer to any regulation of any local unit of government or subdivision of this state.

Subd. 5. [VOLUNTARY REGISTRATION BY OUT-OF-STATE RETAILER NOT MAINTAINING PLACE OF BUSINESS IN MINNESOTA.] *A retailer making retail sales from outside this state to a destination within this state who is not required to collect and remit use tax may nevertheless voluntarily file an application for a permit pursuant to section 297A.04. If the application is granted, the retailer shall collect and remit the use tax as provided in section 297A.16 until the permit is canceled or revoked.*

Subd. 6. [COMMISSIONER'S DISCRETION.] *(a) The commissioner may decline to issue a permit to any retailer not maintaining a place of business in this state, or may cancel a permit previously issued to the retailer, if the commissioner believes that the use tax can be collected more effectively from the persons using the property in this state. A refusal to issue or cancellation of a permit on such grounds does not affect the retailer's right to make retail sales from outside this state to destinations within this state.*

(b) When, in the opinion of the commissioner, it is necessary for the efficient administration of sections 297A.14 to 297A.25 to regard a salesperson, representative, trucker, peddler, or canvasser as the agent of the dealer, distributor, supervisor, employer, or other person under whom that person operates or from whom the person obtains the tangible personal property sold, whether making sales personally or in behalf of that dealer, distributor, supervisor, employer, or other person the commissioner may regard the salesperson, representative, trucker, peddler, or canvasser as such agent, and may regard the dealer, distributor, supervisor, employer, or other person as a retailer for the purposes of sections 297A.14 to 297A.25.

Sec. 7. Minnesota Statutes 1987 Supplement, section 297A.212, is amended

to read:

297A.212 [RAILROAD ROLLING STOCK.]

Railroad rolling stock used by a railroad operating in this state that is licensed as a common carrier by the Interstate Commerce Commission and used to transport persons or property in interstate or foreign commerce is subject to taxation under this chapter only to the extent provided in this section. *The tax shall be computed by using the ratio of intrastate mileage to interstate or foreign mileage traveled by the carrier during the previous fiscal year of the carrier revenue ton miles plus 25 percent of interstate revenue ton miles of passengers, mail, express, and freight carried by the railroad within this state to the total number of revenue ton miles carried by the railroad within and without this state.* This ratio must be determined at the close of the carrier's previous fiscal year. This ratio must be applied each month to the ~~purchase price total amount of purchases of total purchases of rolling stock that are used in within and without this state~~ by the railroad to establish that portion of the total used and consumed in intrastate movement and subject to tax under this chapter. "Railroad rolling stock" means all portable or moving apparatus and machinery of a railroad company and includes engines, cars, tenders, coaches, sleeping cars, and parts necessary for the repair and maintenance of the rolling stock.

Sec. 8. Minnesota Statutes 1987 Supplement, section 297A.25, subdivision 3, is amended to read:

Subd. 3. [MEDICINES; MEDICAL DEVICES.] The gross receipts from the sale of prescribed drugs, prescribed medicine and insulin, intended for use, internal or external, in the cure, mitigation, treatment or prevention of illness or disease in human beings are exempt, together with prescription glasses, therapeutic, and prosthetic devices. *Nonprescription analgesics consisting principally (determined by the weight of all ingredients) of acetaminophen, acetylsalicycid acid, ibuprofen, or a combination thereof are exempt.*

Sec. 9. Minnesota Statutes 1986, section 297A.25, subdivision 5, is amended to read:

Subd. 5. [OUTSTATE TRANSPORT OR DELIVERY.] The gross receipts from the following sales of tangible personal property are exempt:

(1) property which, without intermediate use, is shipped or transported outside Minnesota by the purchaser and thereafter used in a trade or business or is stored, processed, fabricated or manufactured into, attached to or incorporated into other tangible personal property transported or shipped outside Minnesota and thereafter used in a trade or business outside Minnesota, and which is not thereafter returned to a point within Minnesota, except in the course of interstate commerce (storage shall not constitute intermediate use); provided that the property is not subject to tax in that state or country to which it is transported for storage or use; ~~or, if subject to tax in that other state, that state allows a similar exemption for property purchased therein and transported to Minnesota for use in this state; except that sales of tangible personal property that is shipped or transported for use outside Minnesota shall be taxed at the rate of the use tax imposed by the state to which the property is shipped or transported; unless that state has no use tax; in which case the sale shall be taxed at the rate generally imposed by this state;~~ and provided further that sales of tangible personal property to be used in other states or countries as part of a maintenance

contract shall be specifically exempt; or

(2) property which the seller delivers to a common carrier for delivery outside Minnesota, places in the United States mail or parcel post directed to the purchaser outside Minnesota, or delivers to the purchaser outside Minnesota by means of the seller's own delivery vehicles, and which is not thereafter returned to a point within Minnesota, except in the course of interstate commerce.

Sec. 10. Minnesota Statutes 1987 Supplement, section 297A.25, subdivision 11, is amended to read:

Subd. 11. [SALES TO GOVERNMENT.] The gross receipts from all sales, including sales in which title is retained by a seller or a vendor or is assigned to a third party under an installment sale or lease purchase agreement under section 465.71, of tangible personal property to, and all storage, use or consumption of such property by, the United States and its agencies and instrumentalities, *the University of Minnesota, state universities, community colleges, technical institutes, state academies*, and political subdivisions of the state are exempt. *Sales exempted by this subdivision include sales under section 297A.01, subdivision 3, paragraph (f).* This exemption shall not apply to building, construction or reconstruction materials purchased by a contractor or a subcontractor as a part of a lump-sum contract or similar type of contract with a guaranteed maximum price covering both labor and materials for use in the construction, alteration or repair of a building or facility. This exemption does not apply to construction materials purchased by tax exempt entities or their contractors to be used in constructing buildings or facilities which will not be used principally by the tax exempt entities.

Sec. 11. Minnesota Statutes 1986, section 297A.25, is amended by adding a subdivision to read:

Subd. 37. [YMCA AND YWCA MEMBERSHIPS.] *The gross receipts from the sale of memberships, including both one-time initiation fees and periodic membership dues, to an association incorporated under section 315.44 or 315.49, are exempt. However, all separate charges made for the privilege of having access to and the use of the association's sports and athletic facilities are taxable.*

Sec. 12. Minnesota Statutes 1986, section 297A.25, is amended by adding a subdivision to read:

Subd. 38. [STATE FAIR ADMISSIONS.] *The gross receipts from the sale of tickets to the premises of or events sponsored by the state agricultural society and conducted on the state fairgrounds during the period of the annual state fair are exempt, provided that:*

(1) the tax foregone under this subdivision is used exclusively for the purpose of making capital improvements to state-owned buildings and facilities on the state fairgrounds; and

(2) the tax foregone under this subdivision is matched in equal amount by proceeds from special assessments levied against commercial exhibits, concessions and rentals, and from other special user fees specifically designated for capital improvements.

Sec. 13. Minnesota Statutes 1986, section 297A.35, subdivision 1, is amended to read:

Subdivision 1. A person who has, pursuant to the provisions of this chapter, paid to the commissioner an amount of tax for any period in excess of the amount legally due for that period, may file with the commissioner a claim for a refund of such excess subject to the conditions specified in subdivision 5. Except as provided in subdivision 4 no such claim shall be entertained unless filed within two years after such tax was paid, or within three years from the filing of the return, whichever period is the longer. The commissioner shall examine the claim and make and file written findings thereon denying or allowing the claim in whole or in part and shall mail a notice thereof to such person at the address stated upon the claim. Any allowance shall include interest on the excess determined at a rate specified in section 270.76 from the date such excess was paid or collected until the date it is refunded or credited, *unless otherwise specified in this chapter*. If such claim is allowed in whole or in part, the commissioner shall credit the amount of the allowance against any taxes under sections 297A.01 to 297A.44 due from the claimant and for the balance of said allowance, if any, the commissioner shall issue a certificate for the refundment of the excess paid, and the commissioner of finance shall cause such refund to be paid out of the proceeds of the taxes imposed by sections 297A.01 to 297A.44, as other state moneys are expended. So much of the proceeds of such taxes as may be necessary are hereby appropriated for that purpose.

Sec. 14. Minnesota Statutes 1986, section 329.11, is amended to read:

329.11 [LICENSE; APPLICATION, ISSUANCE, FEE; BOND; AGENT FOR SERVICE OF PROCESS.]

Any transient merchant desiring to engage in, do, or transact business by auction or otherwise, in any county in this state shall file an application for a license for that purpose with the auditor of the county in which the desired business is to be conducted, which application shall state the name of the applicant, the proposed place of business, the kind of business proposed to be conducted, and the length of time desired to do business. Such transient merchant shall pay to the treasurer of such county a license fee of \$150, ~~any personal property taxes payable by the merchant pursuant to Minnesota Statutes 1949, Sections 288.01 to 288.03,~~ and shall give bond to the county in an amount to be determined by the county treasurer, which shall be not less than \$1,000 nor more than \$3,000 ~~which~~. The bond shall be approved by the treasurer and be conditioned that the merchant will in all things conform to the laws relating to transient merchants and further conditioned on full compliance with all material oral or written statements and representations made by the seller, the seller's agents, representatives, or auctioneers with reference to merchandise sold or offered for sale and on faithful performance under all warranties made with reference thereto. The treasurer of such county shall issue to such person receipts therefor, and such transient merchant shall thereupon file such receipts with the auditor of such county, who shall thereupon issue to such transient merchant a license to do business as such at the place described in the application; and the kind of business to be done shall be described therein. No license shall be good for more than one person unless such person shall be a member of a copartnership, nor for more than one place, and shall not be good outside of the county in which it was issued. Such license shall be good for a period of one year from the date of its issuance. The auditor shall keep a record of such licenses in a book provided for that purpose, which shall at all times be open for public inspection. *No license*

shall be issued unless the merchant produces evidence that the merchant is the holder of a valid seller's permit issued under section 297A.04, or a written statement from the merchant that the merchant is not offering for sale any item that is taxable under chapter 297A.

The application shall further contain the applicant's residence and business address for the prior two year period; the type of business engaged in during the previous two years; and the name and address of the auctioneer who will conduct the sale. No such sale shall be conducted in the name of any person other than the bona fide owner of the merchandise.

The applicant shall attach to the application an itemized list of merchandise to be offered for sale reciting as to each item a description thereof including serial number if any, the owner's actual cost thereof, and a designation by number corresponding with a number to be affixed to each item by a tag which shall be kept fastened to the item at all times until sold.

Prior to the issuance of the license and approval of bond, the applicant shall in writing appoint the county auditor as the applicant's agent to accept service of process in any action commenced against the applicant arising out of the sale for which the license is sought. Such action shall be brought in the county where the sale was held.

Sec. 15. [REPEALER.]

Minnesota Statutes 1986, section 297A.15, subdivision 2, is repealed.

Sec. 16. [EFFECTIVE DATE.]

Section 1, paragraph (c), is effective for all meals furnished on or after October 15, 1987. Sections 1, paragraphs (j) and (k), and 11, are effective for retail sales made after June 30, 1988. Section 12 is effective for sales made after December 31, 1988. Section 14 is effective July 1, 1988. Sections 3 and 13 are effective for all refund claims filed after June 30, 1988. Sections 7 and 10 providing for exemption of sales under section 297A.01, subdivision 3, paragraph (f), are effective for all sales made after May 31, 1987, but do not apply to sales of tangible personal property made pursuant to bona fide written contracts that were enforceable before June 1, 1987, and delivery is made on or before December 31, 1987. The remainder of section 10 is effective July 1, 1988, provided that sales to the University of Minnesota hospital are exempt effective June 1, 1987. Section 9 is effective for all sales made after June 30, 1988, but does not apply to sales of tangible personal property made pursuant to bona fide written contracts that were enforceable before July 1, 1988, and delivery is made on or before December 31, 1988. Sections 2 and 4 to 6 are effective June 1, 1988.

ARTICLE 12

CIGARETTE AND LIQUOR TAXES

Section 1. Minnesota Statutes 1987 Supplement, section 297.01, subdivision 7, is amended to read:

Subd. 7. "Distributor" means any and each of the following:

(1) any person engaged in the business of selling cigarettes in this state and who manufactures or who brings, or causes to be brought, into this state from without the state any packages of cigarettes for sale to subjobbers or retailers;

(2) any person who makes, manufactures, or fabricates cigarettes in this state for sale in this state;

(3) any person engaged in the business without this state who ships or transports cigarettes to retailers in this state, to be sold by those retailers;

(4) (3) any person who is on direct purchase from a cigarette manufacturer and applies cigarette stamps or indicia on at least 50 percent of cigarettes sold by that person.

A distributor who also sells at retail must maintain a separate inventory, substantiated with invoices for cigarettes that were acquired for retail sale.

A distributor may transfer another state's stamped cigarettes to another distributor for the purpose of resale in the other state.

Sec. 2. Minnesota Statutes 1987 Supplement, section 297.01, subdivision 14, is amended to read:

Subd. 14. "Subjobber" means any person who acquires stamped cigarettes or other state's stamped cigarettes for the primary purpose of resale to retailers, and any licensed distributor who delivers to and sells or distributes stamped cigarettes from a place of business other than that licensed in the distributor's license. The definition of subjobber does not include the occasional sale of stamped cigarettes from one retailer to another. Notwithstanding the foregoing, "subjobber" shall also mean any person who is a vending machine operator. A vending machine operator is any person whose principal business is operating, or owning and leasing to operators, machines for the vending of merchandise or service.

For the purpose of this section, any subjobber that sells at retail must maintain a separate inventory, substantiated with invoices, that reflect the cigarettes were acquired for retail sale.

Sec. 3. Minnesota Statutes 1986, section 297.01, is amended by adding a subdivision to read:

Subd. 15. "Prior continuous compliance taxpayer" means any person who is licensed under section 297.04 and who, having been a licensee for a continuous period of five years, is determined by the commissioner not to have been either delinquent or deficient in the payment of tax liability during that period or otherwise in violation of this chapter. Any taxpayer who has, as verified by the commissioner, continuously complied with the condition of a bond or other security under provisions of this chapter for a period of five consecutive years shall also be considered to be a "prior continuous compliance taxpayer." A continuous period of time of qualifying compliance immediately prior to August 1, 1988, shall be credited to any licensee who became licensed on or before that date.

Sec. 4. Minnesota Statutes 1986, section 297.03, is amended by adding a subdivision to read:

Subd. 5a. [REVOLVING ACCOUNT.] A heat applied cigarette tax stamp revolving account is created. The commissioner shall use the amounts in this fund to purchase heat applied stamps for resale. The commissioner shall charge the purchasers for the costs of the stamps along with the tax value plus shipping costs. The costs recovered along with shipping costs shall be deposited into this revolving account and shall be available to the commissioner for further purchases and shipping costs. The revolving account shall be funded by reducing the stamping discounts allowed in subdivision

5 for the first three months of fiscal year 1989. The stamping discounts shall be 0.75 percent of the face amount of any stamps purchased in the first three months for the first \$1,500,000 of the stamps and 0.50 percent on the remainder of the stamps purchased.

At the end of each of the first three months of fiscal year 1989, the commissioner shall notify the commissioner of finance of the amount of reduced stamping discounts which have accrued to the tobacco tax revenue fund. The commissioner of finance shall then transfer the amounts to the heat applied cigarette tax stamp revolving account from the tobacco tax revenue fund.

Sec. 5. Minnesota Statutes 1987 Supplement, section 297.03, subdivision 6, is amended to read:

Subd. 6. [TAX METER MACHINES.] (4) (a) Before January 1, 1990, the commissioner may authorize any person licensed as a distributor to stamp packages with a tax meter machine, approved by the commissioner, which shall be provided by the distributor. The commissioner may provide for the use of such a machine by the distributor, supervise and check its operation, provide for the payment of the tax on any package so stamped, subject to the discount provided in subdivision 5, ~~and in that connection.~~ Except as provided in paragraph (d), the commissioner may require the furnishing of a corporate surety bond, check guarantee bond, or certified check in a suitable amount to guarantee the payment of the tax.

(2) (b) Before January 1, 1990, the commissioner may authorize, and after December 31, 1989, the commissioner shall require any person licensed as a distributor whose stamp meter machine is no longer operational to stamp packages with a heat-applied tax stamping machine, approved by the commissioner, which shall be provided by the distributor. The commissioner shall supervise and check the operation of the machines and shall provide for the payment of the tax on any package so stamped, subject to the discount provided in subdivision 5. The commissioner may sell heat-applied stamps on a credit basis under conditions prescribed by the commissioner, ~~and in that connection.~~ Except as provided in paragraph (d), the commissioner may require the furnishing of a corporate surety bond, check guarantee bond, or certified check in an amount suitable to guarantee payment of the tax stamps so purchased by a distributor. The stamps shall be sold by the commissioner at a price which includes the tax after giving effect to the discount provided in subdivision 5. The commissioner shall recover the actual costs of the stamps from the distributor.

(3) (c) If the commissioner finds that a stamping machine is not printing or affixing a legible stamp on the package, the commissioner may order the distributor to immediately cease the stamping process until the machine is functioning properly.

(d) Every prior continuous compliance taxpayer is exempt from all requirements under this chapter concerning the furnishing of a bond. This exemption shall continue for the taxpayer until the commissioner determines that the taxpayer is delinquent in the filing of any return, or is determined by the commissioner to be delinquent or deficient in the payment of any uncontested tax liability under this chapter. At that time that taxpayer shall become subject to the bond requirements of this chapter and, as a condition of being allowed to continue to engage in the business licensed under this chapter, shall be required to furnish bond to the commissioner as provided in this chapter. The taxpayer shall furnish the bond

for a period of two years, after which, if the taxpayer has not been delinquent in the filing of any returns, or delinquent or deficient in the paying of any tax under this chapter, the commissioner may reinstate the person as a prior continuous compliance taxpayer. Any taxpayer who fails to pay an uncontested tax liability under this chapter may also be required to post bond or other acceptable security with the commissioner guaranteeing the payment of the uncontested tax liability. The commissioner shall annually establish the maximum amount of heat applied stamps or meter units that may be purchased each month. Notwithstanding any other provisions of this chapter, the tax due on the return shall be paid with certified funds and will be based upon actual heat applied stamps or meter units purchased during the reporting period.

Sec. 6. Minnesota Statutes 1986, section 297.03, subdivision 12, is amended to read:

Subd. 12. [SETTING OF TAX METERS.] The commissioner may designate the county treasurer of any county or any banking institution as defined by section 48.01, *or any banking institution as defined by any states' statutes* as the representative of the commissioner in the setting of a tax meter machine of any particular distributor and the collection of the cigarette tax upon such setting. The county treasurer or banking institution so designated shall be required to set tax meter machines following the method prescribed by the commissioner of revenue and to transmit the amount of tax collected and to report the setting of each tax meter to the commissioner on or before the next business day. For purposes of this paragraph, a business day shall not include Saturday. Such duties shall be within the coverage of the official bond of the county treasurer. The commissioner shall prescribe the form and amount of a surety bond which shall be furnished by a banking institution designated pursuant to this subdivision. The commissioner shall have the right to withdraw this designation without cause.

Sec. 7. Minnesota Statutes 1986, section 297.041, subdivision 1, is amended to read:

Subdivision 1. [WHOLESALEERS.] Any wholesaler who furnishes a surety bond in a sum satisfactory to the commissioner shall be permitted to set aside, without affixing the stamps required by this chapter, that part of the wholesaler's stock necessary for the conduct of business in making sales to the established governing body of any Indian tribe recognized by the United States Department of Interior. The unstamped stock shall be kept separate and apart from stamped stock. Every wholesaler shall, at the time of shipping or delivering any of the unstamped stock to an Indian tribal organization, make a true duplicate invoice which shall show the complete details of the sale or delivery and shall transmit the duplicate to the commissioner not later than the ~~fifteenth~~ 18th day of the following calendar month. Failure to comply with the requirements of this section shall cause the commissioner to revoke the permission granted to the wholesaler to maintain a stock of goods which may be unstamped. ~~The commissioner may also revoke this permission to maintain a stock of unstamped goods for sale to a specific Indian tribal organization when it appears that sales of unstamped cigarettes to persons who are not enrolled members of a recognized Indian tribe are taking place, or have taken place, within the exterior boundaries of the reservation occupied by that tribe.~~

Sec. 8. Minnesota Statutes 1986, section 297.06, subdivision 1, is amended

to read:

Subdivision 1. [DISTRIBUTOR TO KEEP RECORDS.] Every distributor shall keep at each licensed place of business complete and accurate records, for that place of business, including itemized invoices, of cigarettes held, purchased, manufactured, or brought in or caused to be brought in from without the state, and of all sales of cigarettes made, except sales to the ultimate consumer. These records shall show the names and addresses of purchasers, the inventory at the close of each period for which a return is required of all cigarettes on hand, and of all stamps, affixed and unaffixed, and other pertinent papers and documents relating to the purchase, sale, or disposition of cigarettes. When a licensed distributor sells cigarettes exclusively to the ultimate consumer at the address given in the license, no invoice of those sales shall be required, but itemized invoices shall be made of all cigarettes transferred to other retail outlets owned or controlled by that licensed distributor. All books, records, and other papers and documents required by sections 297.01 to 297.13 to be kept shall be preserved for a period of at least ~~one year~~ *three years* after the date of the documents, as aforesaid, or the date of the entries thereof appearing in the records, unless the commissioner, in writing, authorizes their destruction or disposal at an earlier date. At any time during usual business hours the commissioner, or duly authorized agents or employees, may enter any place of business of a distributor, without a search warrant, and inspect the premises, the records required to be kept under sections 297.01 to 297.13, and the packages of cigarettes and the vending devices contained therein, to determine whether or not all the provisions of these sections are being fully complied with. If the commissioner, or any such agent or employee, is denied free access or is hindered or interfered with in making such examination, the license of the distributor at such premises shall be subject to revocation by the commissioner.

Sec. 9. Minnesota Statutes 1986, section 297.06, subdivision 2, is amended to read:

Subd. 2. [DISTRIBUTOR TO PRESERVE COPIES OF INVOICES.] Every person who sells cigarettes to persons other than the ultimate consumer shall render with each sale itemized invoices showing the seller's name and address, the purchaser's name and address, the date of sale, and all prices ~~and discounts~~ and shall preserve legible copies of all such invoices for ~~one year~~ *three years* from the date of sale.

Sec. 10. Minnesota Statutes 1986, section 297.06, subdivision 3, is amended to read:

Subd. 3. [RETAILER AND SUBJOBBER TO PRESERVE PURCHASE INVOICES.] Every retailer and subjobber shall procure itemized invoices of all cigarettes purchased. The invoices shall show the name and address of the seller and the date of purchase. The retailer and subjobber shall preserve a legible copy of each such invoice for one year from the date of purchase. ~~Invoices shall be available for inspection by the commissioner or authorized agents or employees at the retailer's or subjobber's place of business.~~

At any time during normal business hours, the commissioner or the commissioner's agents may enter any place of business of a retailer or subjobber without a search warrant and inspect the premises, the records required to be kept for this subdivision, and the packages of cigarettes,

tobacco products, and vending devices contained on the premises to determine whether all provisions of chapter 297 and sections 325D.30 to 325D.40, are being fully complied with.

Sec. 11. Minnesota Statutes 1986, section 297.06, is amended by adding a subdivision to read:

Subd. 4. [CERTIFIED PHYSICAL INVENTORY.] The commissioner of revenue or the commissioner's authorized agents may, upon request but not more than twice annually, require a cigarette or tobacco distributor to furnish a physical inventory of all cigarettes in stock. The inventory shall contain all information that the commissioner may request and shall be certified by an officer of the corporation.

Sec. 12. Minnesota Statutes 1986, section 297.08, subdivision 1, is amended to read:

Subdivision 1. [CONTRABAND DEFINED.] The following are declared to be contraband:

(1) All packages which do not have stamps affixed to them as provided in sections 297.01 to 297.13 and all devices for the vending of cigarettes in which such unstamped packages are found, *including all contents contained within the devices.*

(2) Any device for the vending of cigarettes and all packages of cigarettes contained therein, where the device does not afford at least partial visibility of contents. Where any package exposed to view does not carry the stamp or imprint required by sections 297.01 to 297.13, it shall be presumed that all packages contained in the device are unstamped and contraband.

(3) Any device for the vending of cigarettes to which the commissioner or authorized agents have been denied access for the inspection of contents. In lieu of seizure, the commissioner or an agent may seal the device to prevent its use until inspection of contents is permitted.

(4) Any device for the vending of cigarettes which does not carry the name and address of the owner, plainly marked and visible from the front of the machine.

(5) Any device including, but not limited to, motor vehicles, trailers, snowmobiles, airplanes and boats used with the knowledge of the owner or of a person operating with the consent of the owner for the storage or transportation of more than 5,000 cigarettes which are contraband under this subdivision. When cigarettes are being transported in the course of interstate commerce, or are in movement from either a public warehouse to a distributor upon orders from a manufacturer or distributor, or from one distributor to another, the cigarettes are not contraband, notwithstanding the provisions of clause (1).

Sec. 13. Minnesota Statutes 1987 Supplement, section 297.11, subdivision 5, is amended to read:

Subd. 5. [TRANSPORTING UNSTAMPED PACKAGES.] No person shall transport into, or receive, carry, or move from place to place in this state, any packages of cigarettes not stamped in accordance with the provisions of this act except in the course of interstate commerce, unless the cigarettes are moving from a public warehouse to a distributor upon orders from the manufacturer or distributor. This subdivision shall not apply to a person carrying for personal use not more than 200 cigarettes when those

cigarettes have had the individual packages or seals thereof broken and are intended for personal use by that person and not to be sold or offered for sale.

Common carriers *and contract carriers* transporting cigarettes into this state shall file with the commissioner reports of all such shipments other than those which are delivered to public warehouses of first destination in this state which are licensed under the provisions of chapter 231. Such reports shall be filed monthly on or before the 10th day of each month and shall show with respect to deliveries made in the preceding month: the date, point of origin, point of delivery, name of consignee, the quantity of cigarettes delivered and such other information as the commissioner may require.

All common carriers *and contract carriers* transporting cigarettes into Minnesota shall permit examination by the commissioner of their records relating to the shipment of cigarettes.

Any person who fails or refuses to transmit to the commissioner the required reports or whoever refuses to permit the examination of the records by the commissioner shall be guilty of a *gross misdemeanor*.

Sec. 14. Minnesota Statutes 1986, section 297.12, subdivision 1, is amended to read:

Subdivision 1. [FELONY.] (a) Any person violating section 297.11, subdivision 1, shall be guilty of a felony.

(b) Any person violating section 297.11, subdivisions 2 or 5 by possessing, receiving, or transporting more than ~~20,000~~ 10,000 cigarettes not stamped in accordance with the provisions of sections 297.01 to 297.13 shall be guilty of a felony.

(c) *A person selling cigarettes after the person's license has been revoked is guilty of a felony.*

Sec. 15. Minnesota Statutes 1986, section 297.35, is amended by adding a subdivision to read:

Subd. 10. A manufacturer of tobacco products shall report on a form prescribed by the commissioner all sales of tobacco products to Minnesota-licensed distributors, subjobbers, retailers, or to any locations within the state. The report shall be due on, or before, the 18th of the month following the reporting period.

Anyone violating this section is guilty of a gross misdemeanor.

Sec. 16. [297.44] [TIME LIMITATIONS.]

Subdivision 1. [TIME FOR ASSESSMENT; NOTICE.] Except as otherwise provided in this chapter, the amount of taxes assessable with respect to a taxable period must be assessed within three years after the return for the period is filed. The taxes shall be considered assessed within the meaning of this section when the commissioner has prepared a notice of tax assessment and mailed it to the person required to file a return to the post office address given in the return. The record of the mailing is presumptive evidence of the giving of the notice, and the records must be preserved by the commissioner.

Subd. 2. [OMISSION OVER 25 PERCENT.] If the person required to file the return omits from the return a dollar amount properly includable

in it that is in excess of 25 percent of the dollar amount reported in the return, the tax may be assessed, or a proceeding in court for the collection of the tax may be begun, at any time within five years after the return was filed.

Subd. 3. [DATE OF FILING.] For the purposes of this section and section 297.36, a return filed before the last day prescribed by law for its filing is considered filed on the last day.

Subd. 4. [FRAUD; FAILURE TO FILE.] In the case of a false or fraudulent return with intent to evade tax or failure with the same intent to file a return, the tax may be assessed at any time, and a proceeding in court for the collection of the tax must begin within five years after the assessment.

Subd. 5. [COLLECTION.] Where the assessment of a tax due under this chapter is made within the period of limitation properly applicable to it, the tax may be collected by a proceeding in court, but only if begun within five years after the date of assessment.

Subd. 6. [SUSPENSION OF TIME; BANKRUPTCY PROCEEDINGS.] The time during which a tax must be assessed or collection proceedings commenced under this chapter is suspended during the period from the date of a filing of a petition in bankruptcy until 30 days after notice to the commissioner of revenue that the bankruptcy proceedings have been closed or dismissed, or that the automatic stay has been terminated or has expired.

The suspension of the statute of limitations under this subdivision applies to the person against whom the petition in bankruptcy is filed, and to all other persons who may be wholly or partially liable for the tax under this chapter.

Sec. 17. Minnesota Statutes 1986, section 297C.02, subdivision 4, is amended to read:

Subd. 4. [BOTTLE TAX.] A tax of one cent is imposed on each bottle or container of distilled spirits and wine. The wholesaler is responsible for the payment of this tax when the bottles of distilled spirits and wine are removed from inventory for sale, delivery, or shipment.

The following are exempt from the tax:

- (1) miniatures of distilled spirits *and wines*;
- (2) containers of fermented malt beverage;
- (3) containers of intoxicating liquor or wine holding less than 200 milliliters;
- (4) containers of wine intended exclusively for sacramental purposes;
- (5) containers of alcoholic beverages sold to qualified, approved military clubs;
- (6) containers of alcoholic beverages sold to common carriers engaged in interstate commerce;
- (7) containers of alcoholic beverages sold to authorized food processors or pharmaceutical firms for use exclusively in the manufacturing of food products or medicines;
- (8) containers of alcoholic beverages sold and shipped to dealers, wineries, or distillers in other states; and

(9) containers of alcoholic beverages sold to other Minnesota wholesalers.

Sec. 18. Minnesota Statutes 1986, section 297C.03, is amended by adding a subdivision to read:

Subd. 6. [INFORMATIONAL RETURNS.] Manufacturers, wholesalers, and importers licensed to ship distilled spirits or wine into Minnesota shall file with the commissioner a monthly informational report on a form prescribed by the commissioner. No payment of any tax is required to be remitted with this report. The report shall be filed on or before the tenth day following the end of each calendar month, regardless of whether or not any shipments were made into Minnesota during the previous month. A person failing to file this monthly report is subject to the provisions of section 297C.14, subdivision 8.

Sec. 19. Minnesota Statutes 1987 Supplement, section 297C.04, is amended to read:

297C.04 [PAYMENT OF TAX; MALT LIQUOR.]

The commissioner may by rule provide a reporting method for paying and collecting the excise tax on fermented malt beverages. *The tax shall be imposed upon the first sale or importation made in this state by a licensed brewer or importer.* The rules must require reports to be filed with and the excise tax to be paid to the commissioner on or before the 18th day of the month following the month in which the importation into or the first sale is made in this state, whichever first occurs. The rules must also require payments in June of 1987 and subsequent years according to the provisions of section 297C.05, subdivision 2.

A distributor who has title to or possession of fermented malt beverages upon which the excise tax has not been paid and who knows that the tax has not been paid, shall file a return with the commissioner on or before the 18th day of the month following the month in which the distributor obtains title or possession of the fermented malt beverages. The return must be made on a form furnished and prescribed by the commissioner, and must contain all information that the commissioner requires. The return must be accompanied by a remittance for the full unpaid liability shown on it.

Sec. 20. Minnesota Statutes 1986, section 297C.07, is amended to read:

297C.07 [EXCEPTIONS.]

The following are not subject to the excise tax:

(1) Sales by a manufacturer, brewer, or wholesaler for shipment outside the state in interstate commerce.

(2) Sales of wine for sacramental purposes under section 340A.316.

(3) Fruit juices naturally fermented or beer naturally brewed in the home for family use.

(4) Malt beverages served by a brewery for on-premise consumption at no charge, or distributed to brewery employees for on-premise consumption under a labor contract.

(5) *Alcoholic beverages sold to authorized manufacturers of food products or pharmaceutical firms. The alcoholic beverage must be used exclusively in the manufacture of food products or medicines. For purposes of this part, "manufacturer" means a manufacturer of food products intended*

for sale to wholesalers or retailers for ultimate sale to the consumer.

(6) Sales to common carriers engaged in interstate transportation of passengers and qualified approved military clubs, except as provided in section 297C.17.

(7) Alcoholic beverages sold or transferred between Minnesota wholesalers.

(8) Sales to a federal agency, that the state of Minnesota is prohibited from taxing under the constitution or laws of the United States or under the constitution of Minnesota.

Sec. 21. [297C.17] [COMMON CARRIERS.]

Common carriers engaged in interstate transportation of passengers must file monthly reports together with the tax payment on the sale of alcoholic beverages sold within the state of Minnesota. The report and payment must be filed by the 18th day of the month following the month in which the sale took place. A common carrier is permitted to use a formula for the allocation of the total sales of alcoholic beverages between states on the basis of passenger miles in each state or some other method of allocation if written approval is received from the commissioner.

Sec. 22. [REPEALER.]

Minnesota Statutes 1986, section 297C.03, subdivision 5, is repealed.

Sec. 23. [EFFECTIVE DATE.]

Section 5 is effective January 1, 1989. The remainder of this article is effective July 1, 1988.

ARTICLE 13

TAX INCREMENT FINANCING

Section 1. Minnesota Statutes 1987 Supplement, section 469.174, subdivision 7, is amended to read:

Subd. 7. [ORIGINAL ASSESSED VALUE.] *(a) Except as provided in paragraph (b), "original assessed value" means the assessed value of all taxable real property within a tax increment financing district as most recently certified by the commissioner of revenue as of the date of the request by an authority for certification by the county auditor, together with subsequent adjustments as set forth in section 469.177, subdivisions 1 and 4. In determining the original assessed value the assessed value of real property exempt from taxation at the time of the request shall be zero, except for real property which is tax exempt by reason of public ownership by the requesting authority and which has been publicly owned for less than one year prior to the date of the request for certification, in which event the assessed value of the property shall be the assessed value as most recently determined by the commissioner of revenue.*

(b) The original assessed value of any designated hazardous substance site or hazardous substance subdistrict shall be determined on January 2 following the date the agency or municipality certifies to the county auditor that the agency or municipality has entered a redevelopment or other agreement for the removal actions or remedial actions specified in a development response action plan, or otherwise provided funds to finance the development response action plan, the original assessed value shall be equal to the assessed value of the parcel, as most recently determined by the commissioner of revenue, less the reasonable and necessary costs of

the removal actions and remedial actions to be undertaken with respect to the parcel as certified to the county auditor by the municipality or agency but not less than zero.

(c) The original assessed value shall be increased by the amount by which it was reduced pursuant to paragraph (b) upon certification by the municipality that the costs of the removal actions and remedial actions have been paid or reimbursed.

(d) For purposes of this subdivision, "real property" shall include any property normally taxable as personal property by reason of its location on or over publicly-owned property.

(e) The terms "removal," "remedial," "action," "hazardous substance," and "pollutant or contaminant" have the meanings assigned by section 115B.02. The term "development response action plan" has the meaning given under section 3.

Sec. 2. Minnesota Statutes 1987 Supplement, section 469.174, subdivision 10, is amended to read:

Subd. 10. [REDEVELOPMENT DISTRICT.] (a) "Redevelopment district" means a type of tax increment financing district consisting of a project, or portions of a project, within which the authority finds by resolution that one of the following conditions, reasonably distributed throughout the district, exists:

(1) 70 percent of the parcels in the district are occupied by buildings, streets, utilities, or other improvements and more than 50 percent of the buildings, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance; or

(2) 70 percent of the parcels in the district are occupied by buildings, streets, utilities, or other improvements and 20 percent of the buildings are structurally substandard and an additional 30 percent of the buildings are found to require substantial renovation or clearance in order to remove such existing conditions as: inadequate street layout, incompatible uses or land use relationships, overcrowding of buildings on the land, excessive dwelling unit density, obsolete buildings not suitable for improvement or conversion, or other identified hazards to the health, safety, and general well-being of the community; or

(3) less than 70 percent of the parcels in the district are occupied by buildings, streets, utilities, or other improvements, but due to unusual terrain or soil deficiencies requiring substantial filling, grading, or other physical preparation for use at least 80 percent of the total acreage of such land has a fair market value upon inclusion in the redevelopment district which, when added to the estimated cost of preparing that land for development, excluding costs directly related to roads as defined in section 160.01 and local improvements as described in section 429.021, subdivision 1, clauses 1 to 7, 11 and 12, and 430.01, if any, exceeds its anticipated fair market value after completion of the preparation. No parcel shall be included within a redevelopment district pursuant to this paragraph unless the authority has concluded an agreement or agreements for the development of at least 50 percent of the acreage having the unusual soil or terrain deficiencies, which agreement provides recourse for the authority should the development not be completed; or

(4) the property consists of underutilized air rights existing over a public

street, highway, or right-of-way; or

(5) the property consists of vacant, unused, underused, inappropriately used, or infrequently used railyards, rail storage facilities, or excessive or vacated railroad rights-of-way; or

(6) the district consists of an existing or proposed industrial park no greater in size than 250 acres, which contains a sewage lagoon contaminated with polychlorinated biphenyls.

(b) For purposes of this subdivision, "structurally substandard" shall mean containing defects in structural elements or a combination of deficiencies in essential utilities and facilities, light and ventilation, fire protection including adequate egress, layout and condition of interior partitions, or similar factors, which defects or deficiencies are of sufficient total significance to justify substantial renovation or clearance.

(c) For districts approved under section 469.175, subdivision 3, or for noncontiguous areas added to existing districts after April 1, 1988, if the district consists of two or more noncontiguous geographic areas, each area must qualify as a redevelopment district under paragraph (a), clauses (1) to (6), in order to be included in the district, and the area of the entire district must satisfy the requirements of paragraph (a).

Sec. 3. Minnesota Statutes 1987 Supplement, section 469.174, is amended by adding a subdivision to read:

Subd. 16. [DESIGNATED HAZARDOUS SUBSTANCE SITE.] "Designated hazardous substance site" means any parcel or parcels with respect to which the authority or municipality has certified to the county auditor that the authority or municipality has entered into a redevelopment or other agreement providing for, or otherwise has available to it funds, including, without limitation, tax increment which would be made available pursuant to section 469.175, subdivision 1, to finance the removal actions or remedial actions specified in a development response action plan. For purposes of this section, a plan or proposal for removal actions or remedial actions constitutes a development response action plan if the actions contained in the plan or proposal are:

(1) requested by the pollution control agency or its commissioner pursuant to section 115B.17, 115C.03, or other law; or

(2) proposed to the commissioner of the pollution control agency by a municipality to respond to a release or threatened release of a hazardous substance, pollutant, contaminant, or petroleum.

Sec. 4. [469.1741] [TOWN AUTHORITY.]

No town may be authorized after the date of enactment of this act to exercise powers under sections 469.174 to 469.179 unless the town has the authority to exercise powers under section 368.01, is located within the metropolitan area as defined in section 473.121, subdivision 2, and has a population in excess of 5,000 persons.

Sec. 5. Minnesota Statutes 1987 Supplement, section 469.175, subdivision 1, is amended to read:

Subdivision 1. [TAX INCREMENT FINANCING PLAN.] A tax increment financing plan shall contain:

(1) a statement of objectives of an authority for the improvement of a

project;

(2) a statement as to the development program for the project, including the property within the project, if any, that the authority intends to acquire;

(3) a list of any development activities that the plan proposes to take place within the project, for which contracts have been entered into at the time of the preparation of the plan, including the names of the parties to the contract, the activity governed by the contract, the cost stated in the contract, and the expected date of completion of that activity;

(4) identification or description of the type of any other specific development reasonably expected to take place within the project, and the date when the development is likely to occur;

(5) estimates of the following:

(i) cost of the project, including administration expenses;

(ii) amount of bonded indebtedness to be incurred;

(iii) sources of revenue to finance or otherwise pay public costs;

(iv) the most recent assessed value of taxable real property within the tax increment financing district;

(v) the estimated captured assessed value of the tax increment financing district at completion; and

(vi) the duration of the tax increment financing district's existence; and

(6) ~~a statement~~ *statements* of the authority's ~~estimate~~ *alternate estimates* of the impact of tax increment financing on the assessed values of all taxing jurisdictions in which the tax increment financing district is located in whole or in part. *For purposes of one statement, the authority shall assume that the estimated captured assessed value would be available to the taxing jurisdictions without creation of the district, and for purposes of the second statement, the authority shall assume that none of the estimated captured assessed value would be available to the taxing jurisdictions without creation of the district;*

(7) *identification and description of studies and analyses used to make the determination set forth in subdivision 3, clause (2); and*

(8) *identification of all parcels to be included in the district.*

Sec. 6. Minnesota Statutes 1987 Supplement, section 469.175, subdivision 2, is amended to read:

Subd. 2. [CONSULTATIONS; COMMENT AND FILING.] Before formation of a tax increment financing district, the authority shall provide an opportunity to the members of the county boards of commissioners of any county in which any portion of the proposed district is located and the members of the school board of any school district in which any portion of the proposed district is located to meet with the authority. The authority shall present to the members of the county boards of commissioners and the school boards its estimate of the fiscal and economic implications of the proposed tax increment financing district. *The information on the fiscal and economic implications of the plan must be provided to the county and school district boards at least 30 days before the public hearing required by subdivision 3. The 30-day requirement is waived if the county and school district submit written comments on the proposal and any modification of*

the proposal to the authority after receipt of the information. The members of the county boards of commissioners and the school boards may present their comments at the public hearing on the tax increment financing plan required by subdivision 3. ~~The county auditor shall not certify the original assessed value of a district pursuant to section 469.177, subdivision 1, until the county board of commissioners has presented its written comment on the proposal to the authority, or 30 days has passed from the date of the transmittal by the authority to the board of the information regarding the fiscal and economic implications, whichever occurs first.~~ Upon adoption of the tax increment financing plan, the authority shall file a copy of the plan with the commissioner of ~~energy trade~~ and economic development. The authority must also file with the commissioner a copy of the development plan for the project area.

Sec. 7. Minnesota Statutes 1987 Supplement, section 469.175, subdivision 3, is amended to read:

Subd. 3. [MUNICIPALITY APPROVAL.] A county auditor shall not certify the original assessed value of a tax increment financing district until the tax increment financing plan proposed for that district has been approved by the municipality in which the district is located. If an authority that proposes to establish a tax increment financing district and the municipality are not the same, the authority shall apply to the municipality in which the district is proposed to be located and shall obtain the approval of its tax increment financing plan by the municipality before the authority may use tax increment financing. The municipality shall approve the tax increment financing plan only after a public hearing thereon after published notice in a newspaper of general circulation in the municipality at least once not less than ten days nor more than 30 days prior to the date of the hearing. This hearing may be held before or after the approval or creation of the project or it may be held in conjunction with a hearing to approve the project. Before or at the time of approval of the tax increment financing plan, the municipality shall make the following findings, and shall set forth in writing the reasons and supporting facts for each determination:

(1) that the proposed tax increment financing district is a redevelopment district, a mined underground space development district, a housing district, or an economic development district; *if the proposed district is a redevelopment district, the reasons and supporting facts for the determination that the district meets the criteria of section 469.174, subdivision 10, paragraph (a), clauses (1) to (6), shall be retained and made available to the public by the authority until the district has been terminated.*

(2) that the proposed development or redevelopment, in the opinion of the municipality, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future and therefore the use of tax increment financing is deemed necessary.

(3) that the tax increment financing plan conforms to the general plan for the development or redevelopment of the municipality as a whole.

(4) that the tax increment financing plan will afford maximum opportunity, consistent with the sound needs of the municipality as a whole, for the development or redevelopment of the project by private enterprise.

(5) that the municipality elects the method of tax increment computation set forth in section 469.177, subdivision 3, clause (b), if applicable.

When the municipality and the authority are not the same, the municipality shall approve or disapprove the tax increment financing plan within 60 days of submission by the authority, or the plan shall be deemed approved. When the municipality and the authority are not the same, the municipality may not amend or modify a tax increment financing plan except as proposed by the authority pursuant to subdivision 4. Once approved, the determination of the authority to undertake the project through the use of tax increment financing and the resolution of the governing body shall be conclusive of the findings therein and of the public need for the financing.

Sec. 8. Minnesota Statutes 1987 Supplement, section 469.175, subdivision 4, is amended to read:

Subd. 4. [MODIFICATION OF PLAN.] (a) A tax increment financing plan may be modified by an authority, provided that any reduction or enlargement of geographic area of the project or tax increment financing district, increase in amount of bonded indebtedness to be incurred, including a determination to capitalize interest on the debt if that determination was not a part of the original plan, or to increase or decrease the amount of interest on the debt to be capitalized, increase in the portion of the captured assessed value to be retained by the authority, increase in total estimated tax increment expenditures or designation of additional property to be acquired by the authority shall be approved upon the notice and after the discussion, public hearing, and findings required for approval of the original plan; provided that if an authority changes the type of district from housing, redevelopment, or economic development to another type of district, this change shall not be considered a modification but shall require the authority to follow the procedure set forth in sections 469.174 to 469.179 for adoption of a new plan, including certification of the assessed valuation of the district by the county auditor. *If a redevelopment district is enlarged, the reasons and supporting facts for the determination that the addition to the district meets the criteria of section 469.174, subdivision 10, paragraph (a), clauses (1) to (6), shall be documented. The requirements of this paragraph do not apply if (1) the only modification is elimination of parcels from the project or district and (2)(A) the current assessed value of the parcels eliminated from the district equals or exceeds the assessed value of those parcels in the district's original assessed value or (B) the authority agrees that, notwithstanding section 469.177, subdivision 1, the original assessed value will be reduced by no more than the current assessed value of the parcels eliminated from the district. The authority must notify the county auditor of any modification that reduces or enlarges the geographic area of a district or a project area.*

(b) The geographic area of a tax increment financing district may be reduced, but shall not be enlarged after five years following the date of certification of the original assessed value by the county auditor or after August 1, 1984, for tax increment financing districts authorized prior to August 1, 1979, except that development districts created pursuant to Minnesota Statutes 1978, chapter 472A, prior to August 1, 1979, may be reduced but shall not be enlarged after five years following the date of designation of the district.

Sec. 9. Minnesota Statutes 1987 Supplement, section 469.175, is amended by adding a subdivision to read:

Subd. 7. [CREATION OF HAZARDOUS SUBSTANCE SUBDISTRICT.] (a) *A municipality or authority which is creating or has created*

a tax increment financing district may establish within the district a hazardous substance subdistrict upon the notice and after the discussion, public hearing and findings required for approval of the original plan. The geographic area of the subdistrict shall be made up of any parcels in the district designated for inclusion by the municipality or authority that are designated hazardous substance sites, and any additional parcels in the district designated for inclusion that are contiguous except for the interposition of a right-of-way. Before or at the time of approval of the tax increment financing plan, the municipality shall make the findings under paragraphs (b) to (d), and shall set forth in writing the reasons and supporting facts for each.

(b) The proposed development or redevelopment, in the opinion of the municipality, would not reasonably be expected to occur solely through private investment and tax increment otherwise available, and therefore the hazardous substance district is deemed necessary.

(c) Other parcels that are not designated hazardous substance sites are expected to be developed together with a designated hazardous substance site.

(d) The subdistrict is not larger than, and the period of time during which increments are elected to be received is not longer than, that which is necessary in the opinion of the municipality to provide for the additional costs due to the designated hazardous substance site.

Sec. 10. Minnesota Statutes 1987 Supplement, section 469.176, subdivision 1, is amended to read:

Subdivision 1. [DURATION OF TAX INCREMENT FINANCING DISTRICTS.] (a) Subject to the limitations contained in paragraphs (b) to (f), any tax increment financing district as to which bonds are outstanding, payment for which the tax increment and other revenues have been pledged, shall remain in existence at least as long as the bonds continue to be outstanding.

(b) The tax increment pledged to the payment of the bonds and interest thereon may be discharged and the tax increment financing district may be terminated if sufficient funds have been irrevocably deposited in the debt service fund or other escrow account held in trust for all outstanding bonds to provide for the payment of the bonds at maturity or date of redemption and interest thereon to the maturity or redemption date.

(c) For bonds issued pursuant to section 469.178, subdivisions 2 and 3, the full faith and credit and any taxing powers of the municipality or authority shall continue to be pledged to the payment of the bonds until the principal of and interest on the bonds has been paid in full.

(d) No tax increment shall be paid to an authority for a tax increment financing district after three years from the date of certification of the original assessed value of the taxable real property in the district by the county auditor or after August 1, 1982, for tax increment financing districts authorized prior to August 1, 1979, unless within the three-year period (1) bonds have been issued pursuant to section 469.178, or in aid of a project pursuant to any other law, except revenue bonds issued pursuant to sections 469.152 to 469.165, prior to August 1, 1979, or (2) the authority has acquired property within the district, or (3) the authority has constructed or caused to be constructed public improvements within the district.

(e) (i) *For districts certified after August 1, 1979, no tax increment shall in any event be paid to the authority from a redevelopment district after 25 years from date of receipt by the authority of the first tax increment, provided that for districts approved under section 469.175, subdivision 3, after April 1, 1988, if bonds or obligations issued to implement the district's tax increment financing plan are exempt from federal and state income taxes, the duration of the district is 20 years. No tax increment shall in any event be paid to the authority after 25 years from the date of the receipt for a housing district, after 25 years from the date of the receipt for a mined underground space development district, and after eight years from the date of the receipt, or ten years from approval of the tax increment financing plan, whichever is less, for an economic development district. In the case of a redevelopment district that has a maximum duration of 20 years under this subdivision, the authority may waive receipt of increment for the first year in which property tax is paid by captured assessed value. For purposes of determining the duration limits the waived increment does not constitute receipt of increment.*

(ii) *For tax increment financing districts created prior to August 1, 1979, no tax increment shall be paid to the authority after ~~30 years from August 1, 1979~~ April 1, 2001, or the term of a bond or obligation outstanding on April 1, 1990, secured by increments from the district or project area, whichever time is greater, provided that in no case will a tax increment be paid to an authority after August 1, 2009, from such a district.*

(f) *Modification of a tax increment financing plan pursuant to section 469.175, subdivision 4, shall not extend the durational limitations of this subdivision.*

If a parcel of a district is part of a designated hazardous substance site or a hazardous substance subdistrict, tax increment may be paid to the authority from the parcel for longer than the period otherwise provided by this subdivision. The extended period for collection of tax increment shall begin on the date of receipt of the first tax increment from the parcel that is more than any tax increment received from the parcel before the date of the certification under section 469.174, subdivision 7, paragraph (b), and received after the date of certification to the county auditor described in section 469.174, subdivision 7, paragraph (b). The extended period for collection of tax increment shall be the lesser of: (1) 25 years from the date of commencement of the extended period; or (2) the period necessary to recover the costs of removal actions or remedial actions specified in a development response action plan.

Sec. 11. Minnesota Statutes 1987 Supplement, section 469.176, subdivision 4, is amended to read:

Subd. 4. [LIMITATION ON USE OF TAX INCREMENT.] (a) All revenues derived from tax increment shall be used in accordance with the tax increment financing plan. The revenues shall be used solely for the following purposes: (1) to pay the principal of and interest on bonds issued to finance a project; (2) by a rural development financing authority for the purposes stated in section 469.142, by a port authority or municipality exercising the powers of a port authority to finance or otherwise pay the cost of redevelopment pursuant to sections 469.048 to 469.068, by an economic development authority to finance or otherwise pay the cost of redevelopment pursuant to sections 469.090 to 469.108, by a housing and redevelopment authority or economic development authority to finance or

otherwise pay public redevelopment costs pursuant to sections 469.001 to 469.047, by a municipality or economic development authority to finance or otherwise pay the capital and administration costs of a development district pursuant to sections 469.124 to 469.134, by a municipality or redevelopment agency to finance or otherwise pay premiums for insurance or other security guaranteeing the payment when due of principal of and interest on the bonds pursuant to chapter 462C, sections 469.152 to 469.165, or both, or to accumulate and maintain a reserve securing the payment when due of the principal of and interest on the bonds pursuant to chapter 462C, sections 469.152 to 469.165, or both, which revenues in the reserve shall not exceed, subsequent to the fifth anniversary of the date of issue of the first bond issue secured by the reserve, an amount equal to 20 percent of the aggregate principal amount of the outstanding and nondefeased bonds secured by the reserve. *Tax increments may be used to pay for the county's actual administrative expenses under sections 469.174 to 469.179; the county may require payment of those expenses by February 15 of the year after the year in which the expenses are incurred. The amount of these payments are not required to be set forth in the tax increment financing plan for the project. To obtain payment for actual administrative costs, the county auditor must submit to the authority a record of costs incurred by the county auditor related to administration of the authority's tax increment financing districts.* Revenue derived from tax increment from a mined underground space development district may be used only to pay for the costs of excavating and supporting the space, of providing public access to the mined underground space including roadways, and of installing utilities including fire sprinkler systems in the space. *Revenue derived from tax increment from a district approved under section 469.175, subdivision 3, after April 1, 1988, all or a portion of which qualified as a redevelopment district under section 469.174, subdivision 10, paragraph (3), or from parcels added to an existing district of that type after April 1, 1988, may be used only to (1) acquire parcels on which the improvements described in clause (2) will occur; (2) pay for the cost of correcting the unusual terrain or soil deficiencies and the additional cost of installing public improvements directly caused by the deficiencies; and (3) pay for the administrative expenses of the authority allocable to the district. The sale by the authority of a parcel acquired and improved as described in clauses (1) and (2) must be for a price that is no less than the cost of acquisition. No less than one-half of the revenue derived from tax increment from a housing project must be used to finance or otherwise pay the cost of land acquisition, site improvements, public improvements directly related to, and construction or renovation of a project consisting of housing described in section 469.174, subdivision 11, including allocated administration costs. Tax increments from economic development projects may not be used to provide improvements, loans, subsidies, grants, interest rate subsidies, or assistance in any form to buildings and ancillary facilities used for retail or wholesale sales or for office purposes. Improvements include, but are not limited to, parking lots or ramps, utilities, parks integral to the building or buildings or streets, highways, or highway interchanges providing improved access to the retail or office facilities. Buildings where less than five percent of the floor space is used for office or retail or wholesale purposes will not be considered to be used for retail or wholesale sales or for office purposes.*

(b) Revenues derived from tax increment may be used to finance the costs of an interest reduction program operated pursuant to section 469.012.

subdivisions 7 to 10; or pursuant to other law granting interest reduction authority and power by reference to those subdivisions only under the following conditions: (1) tax increments may not be collected for a program for a period in excess of 12 years after the date of the first interest rate reduction payment for the program, (2) tax increments may not be used for an interest reduction program, if the proceeds of bonds issued pursuant to section 469.178 after December 31, 1985, have been or will be used to provide financial assistance to the specific project which would receive the benefit of the interest reduction program, and (3) tax increments may not be used to finance an interest reduction program for owner-occupied single-family dwellings.

(c) These revenues shall not be used to circumvent existing levy limit law. No revenues derived from tax increment *from any district, whether certified before or after August 1, 1979,* shall be used for the *acquisition, construction of, renovation, operation, or maintenance of a municipally owned building to be used primarily and regularly for conducting the business of the a municipality, county, school district, or any other local unit of government or the state or federal government.* This provision shall not prohibit the use of revenues derived from tax increments for the construction or renovation of a parking structure, a commons area used as a public park, or a facility used for social, recreational, or conference purposes and not primarily for conducting the business of the municipality.

(d) *If a tax increment district is located in a municipality, parts of which are situated in more than one county, the revenue derived from tax increments from parcels located in one county must be expended for the direct and primary benefit of a project located or conducted within that county, unless the county boards of each of the counties involved agree to waive this requirement.*

Sec. 12. Minnesota Statutes 1987 Supplement, section 469.176, subdivision 5, is amended to read:

Subd. 5. [REQUIREMENT FOR AGREEMENTS.] No more than 25 percent, by acreage, of the property to be acquired within a project which contains a redevelopment district, or ten percent, by acreage, of the property to be acquired within a project which contains a housing or economic development district, as set forth in the tax increment financing plan, shall at any time be owned by an authority as a result of acquisition with the proceeds of bonds issued pursuant to section 469.178 unless prior to acquisition in excess of the percentages, the authority has concluded an agreement for the development or redevelopment of the property acquired and which provides recourse for the authority should the development or redevelopment not be completed. *This subdivision does not apply to a parcel of a district that is a designated hazardous substance site established under section 3 or part of a hazardous substance subdistrict established under section 9.*

Sec. 13. Minnesota Statutes 1987 Supplement, section 469.176, subdivision 6, is amended to read:

Subd. 6. [ACTION REQUIRED.] (a) If, after four years from the date of certification of the original assessed value of the tax increment financing district pursuant to section 469.177, no demolition, rehabilitation, or renovation of property or other site preparation, including improvement of a street adjacent to a parcel but not installation of utility service including sewer or water systems, has been commenced on a parcel located within

a tax increment financing district by the authority or by the owner of the parcel in accordance with the tax increment financing plan, no additional tax increment may be taken from that parcel, and the original assessed value of that parcel shall be excluded from the original assessed value of the tax increment financing district. If the authority or the owner of the parcel subsequently commences demolition, rehabilitation, or renovation or other site preparation on that parcel including improvement of a street adjacent to that parcel, in accordance with the tax increment financing plan, the authority shall certify to the county auditor that the activity has commenced, and the county auditor shall certify the assessed value thereof as most recently certified by the commissioner of revenue and add it to the original assessed value of the tax increment financing district. *The county auditor must enforce the provisions of this subdivision. The authority must by February 1 of the fifth year following the year in which a parcel was certified as included in the district submit to the county auditor evidence that the required activity has taken place for each parcel in the district.*

(b) This subdivision applies to all tax increment districts, whether created before or after August 1, 1979. The subdivision applies to districts created before August 1, 1979 as provided in this paragraph. The four-year period is deemed to begin April 1, 1988, provided that activity on or improvements to a parcel occurring prior to that date qualify the parcel for retention in the district. The authority must submit the evidence of activity or improvements for each parcel to the county auditor, as required by paragraph (a), by June 1, 1992. In the case of a district or a portion of a district for which no tax increment financing plan has been prepared, improvements are deemed to have been commenced "in accordance with the tax increment financing plan" when one of the following conditions is met:

(1) acquisition or improvement of the parcel was financed by the authority with increment revenues or with the proceeds of tax increment bonds or with other funds of the authority after the inclusion of the parcel in the district;

(2) public improvements, excluding sewer and water improvements, were installed or constructed on the parcel or on land adjacent to the parcel after inclusion of the parcel in the district and the improvements were financed with increments or other authority revenues, but excluding general city revenues or special assessments if the authority is the same as the municipality;

(3) construction of the improvements occurred on the parcel and the municipality passes a resolution stating that the improvements or other improvements of approximately equal (or greater) market value would not have occurred if the authority had not undertaken efforts of the type specified in clauses (1) or (2) on other parcels in the district. If the authority submits evidence that (i) at least 60 percent of the parcels, or (ii) parcels comprising at least 60 percent of the geographic area in the district, or (iii) parcels from which is derived at least 60 percent of the captured assessed value of the district, meet the requirements of this paragraph by June 1, 1992, all parcels may remain in the district notwithstanding the provisions of paragraph (a).

(c) In the case of tax increment projects for which certification was requested before August 1, 1979, and for which a defeased bond was outstanding on April 1, 1988, the provisions of paragraphs (a) and (b)

apply as specified in this paragraph. Increments shall continue to be collected from parcels that fail to meet the requirements of paragraphs (a) and (b). The authority or other administering entity shall deposit these increments in a separate account in the debt service or other bond fund to defease bonds outstanding on April 1, 1988, for the project. The amount of funds in the separate account shall not affect or be considered in computation of the amount required to be deposited in the regular debt service fund under the bond resolution, indenture, or other contract. When the sum of the amount in the regular debt service fund and the separate account are sufficient to fully defease the bonds outstanding on April 1, 1988, for the project or when such bonds are fully defeased or paid by refunding or otherwise, increments may no longer be collected from a parcel that does not satisfy the requirements of paragraphs (a) and (b).

Sec. 14. Minnesota Statutes 1987 Supplement, section 469.177, subdivision 1, is amended to read:

Subdivision 1. [ORIGINAL ASSESSED VALUE.] Upon or after adoption of a tax increment financing plan, the auditor of any county in which the district is situated shall, upon request of the authority, certify the original assessed value of the tax increment financing district as described in the tax increment financing plan and shall certify in each year thereafter the amount by which the original assessed value has increased or decreased as a result of a change in tax exempt status of property within the district, reduction or enlargement of the district or changes pursuant to subdivision 4. In the case of a mined underground space development district the county auditor shall certify the original assessed value as zero, plus the assessed value, if any, previously assigned to any subsurface area included in the mined underground space development district pursuant to section 272.04. *For districts approved under section 469.175, subdivision 3, or parcels added to existing districts after April 1, 1988, if the classification under section 273.13 of property located in a district changes to a classification that has a different assessment ratio, the original assessed value of that property shall be redetermined at the time when its use is changed as if the property had originally been classified in the same class in which it is classified after its use is changed.* The amount to be added to the original assessed value of the district as a result of previously tax exempt real property within the district becoming taxable shall be equal to the assessed value of the real property as most recently assessed pursuant to section 273.18 or, if that assessment was made more than one year prior to the date of title transfer rendering the property taxable, the value assessed by the assessor at the time of the transfer. The amount to be added to the original assessed value of the district as a result of enlargements thereof shall be equal to the assessed value of the added real property as most recently certified by the commissioner of revenue as of the date of modification of the tax increment financing plan pursuant to section 469.175, subdivision 4. *For districts approved under section 469.175, subdivision 3, after April 1, 1988, if the assessed value of a property increases because the property no longer qualifies under the Minnesota agricultural property tax law, section 273.111; the Minnesota open space property tax law, section 273.112; or the metropolitan agricultural preserves act, chapter 473H, the increase in assessed value must be added to the original assessed value.* Each year the auditor shall also add to the original assessed value of each economic development district an amount equal to the original assessed value for the preceding year multiplied by the average percentage increase in the assessed valuation of all property included in the economic

development district during the five years prior to certification of the district. The amount to be subtracted from the original assessed value of the district as a result of previously taxable real property within the district becoming tax exempt, or a reduction in the geographic area of the district, shall be the amount of original assessed value initially attributed to the property becoming tax exempt or being removed from the district. If the assessed value of property located within the tax increment financing district is reduced by reason of a court-ordered abatement, stipulation agreement, voluntary abatement made by the assessor or auditor or by order of the commissioner of revenue, the reduction shall be applied to the original assessed value of the district when the property upon which the abatement is made has not been improved since the date of certification of the district and to the captured assessed value of the district in each year thereafter when the abatement relates to improvements made after the date of certification. The county auditor may specify reasonable form and content of the request for certification of the authority and any modification thereof pursuant to section 469.175, subdivision 4.

Sec. 15. Minnesota Statutes 1987 Supplement, section 469.177, subdivision 3, is amended to read:

Subd. 3. [TAX INCREMENT, RELATIONSHIP TO CHAPTER 473F]

(a) Unless the governing body elects pursuant to clause (b) the following method of computation shall apply:

(1) The original assessed value and the current assessed value shall be determined before the application of the fiscal disparity provisions of chapter 473F. Where the original assessed value is equal to or greater than the current assessed value, there is no captured assessed value and no tax increment determination. Where the original assessed value is less than the current assessed value, the difference between the original assessed value and the current assessed value is the captured assessed value. This amount less any portion thereof which the authority has designated, in its tax increment financing plan, to share with the local taxing districts is the retained captured assessed value of the authority.

(2) The county auditor shall exclude the retained captured assessed value of the authority from the taxable value of the local taxing districts in determining local taxing district mill rates. The mill rates so determined are to be extended against the retained captured assessed value of the authority as well as the taxable value of the local taxing districts. The tax generated by the extension of the local taxing district mill rates to the retained captured assessed value of the authority is the tax increment of the authority.

(b) The governing body may, by resolution approving the tax increment financing plan pursuant to section 469.175, subdivision 3, elect the following method of computation:

(1) The original assessed value shall be determined before the application of the fiscal disparity provisions of chapter 473F. The current assessed value shall exclude any fiscal disparity commercial-industrial assessed value increase between the original year and the current year multiplied by the fiscal disparity ratio determined pursuant to section 473F.08, subdivision 6. Where the original assessed value is equal to or greater than the current assessed value, there is no captured assessed value and no tax increment determination. Where the original assessed value is less than the current assessed value, the difference between the original assessed

value and the current assessed value is the captured assessed value. This amount less any portion thereof which the authority has designated, in its tax increment financing plan, to share with the local taxing districts is the retained captured assessed value of the authority.

(2) The county auditor shall exclude the retained captured assessed value of the authority from the taxable value of the local taxing districts in determining local taxing district mill rates. The mill rates so determined are to be extended against the retained captured assessed value of the authority as well as the taxable value of the local taxing districts. The tax generated by the extension of the local taxing district mill rates to the retained captured assessed value of the authority is the tax increment of the authority.

(3) An election by the governing body pursuant to ~~part~~ *paragraph* (b) shall be submitted to the county auditor by the authority at the time of the request for certification pursuant to subdivision 1.

(c) The method of computation of tax increment applied to a district pursuant to ~~clause~~ *paragraph* (a) or (b) shall remain the same for the duration of the district, *except that the governing body may elect to change its election from the method of computation in paragraph (a) to the method in paragraph (b).*

Sec. 16. Minnesota Statutes 1987 Supplement, section 469.177, is amended by adding a subdivision to read:

Subd. 3a. [PAYMENT TO SCHOOL DISTRICT FOR REFERENDUM LEVY INCREASE.] If a tax increment financing district is located in a school district in which the voters have approved new millage or an increase in millage pursuant to section 124A.03, subdivision 2, the authority must pay to the school district the amount raised by the new or increased millage. The amount to be paid to the school district must be computed as follows:

(1) Subtract the mill rate approved by the voters of the school district pursuant to section 124A.03, subdivision 2, as of June 30, 1988, or the date the tax increment financing district was certified, whichever is later, and still in effect on the date the levy is certified, from the mill rate approved by the voters under that section as of the date the levy is certified. If the result is less than zero, select zero.

(2) Multiply the result in clause (1) by the ratio of the school district's actual levy certified pursuant to section 124A.03, subdivision 2, to its permitted levy under that section.

(3) Multiply the result in clause (2) by the retained captured assessed value of the authority located within that school district as of January 2 of the year in which the levy is certified.

The county auditor must compute the payment required by this subdivision and report the amount to the authority, the school district, and the commissioner of education by March 1 of each year. The payment must be made by November 1 of the year in which the property taxes are payable.

Sec. 17. Minnesota Statutes 1987 Supplement, section 469.177, subdivision 4, is amended to read:

Subd. 4. [PRIOR PLANNED IMPROVEMENTS.] The authority shall, after diligent search, accompany its request for certification to the county auditor pursuant to subdivision 1, or its notice of district enlargement

pursuant to section 469.175, subdivision 4, with a listing of all properties within the tax increment financing district or area of enlargement for which building permits have been issued during the 18 months immediately preceding approval of the tax increment financing plan by the municipality pursuant to section 469.175, subdivision 3. The county auditor shall increase the original assessed value of the district by the assessed valuation of the improvements each improvement for which the a building permit was issued, excluding the assessed valuation of improvements for which a building permit was issued during the three-month period immediately preceding said approval of the tax increment financing plan, as certified by the assessor.

Sec. 18. Minnesota Statutes 1987 Supplement, section 469.179, is amended to read:

469.179 [EXISTING PROJECTS.]

Subdivision 1. [EXEMPTION.] The provisions of sections 469.174 to 469.178 shall not affect any project for which tax increment certification was requested pursuant to law prior to August 1, 1979, or any project carried on by an authority pursuant to section 469.033, subdivision 5, with respect to which the governing body has by resolution designated properties for inclusion in the district prior to August 1, 1979, except:

(1) as otherwise expressly provided in sections 469.174 to 469.178; or
 (2) as an authority elects to proceed with an existing district, under the provisions of sections 469.174 to 469.178; or

(3) that any enlargements of the geographic area of an existing tax increment financing district subsequent to August 1, 1979, shall be accomplished in accordance with and shall subject the property added as a result of the enlargement to the terms and conditions of sections 469.174 to 469.178 as provided in subdivision 2; or

(4) that beginning with taxes payable in 1980, section 469.177, subdivision 3, clause (b), shall apply to all development districts created pursuant to Minnesota Statutes 1978, chapter 472A, or any special law, prior to August 1, 1979.

Subd. 2. [APPLICATION TO EXISTING DISTRICTS.] If the development or redevelopment activity within the project or district of a tax increment financing project certified prior to August 1, 1979, is extended beyond the scope of activity set forth in the district's redevelopment plan under Minnesota Statutes, chapter 462, or Minnesota Statutes, chapter 472A, if applicable, after April 1, 1988, the authority must with regard to the new activity conform to the provisions of sections 469.174 to 469.178 with the following exceptions.

(a) Section 469.175, subdivision 3, paragraphs (1) and (5), shall not apply. Furthermore, the provisions of section 473F.02, subdivision 3, shall continue to apply to the entire district, if applicable.

(b) Section 469.177, subdivision 3, shall not apply.

Sec. 19. Minnesota Statutes 1986, section 475.51, subdivision 5, is amended to read:

Subd. 5. "Assessed value" means the latest valuation for purposes of taxation, as finally equalized, of all property taxable within the municipality

but not including captured assessed value under section 469.174, subdivision 4, or any other law permitting collection of tax increments.

Sec. 20. [CITY OF VIRGINIA TAX INCREMENT FINANCING DISTRICT; PARCELS INCLUDED.]

Redevelopment tax increment financing district No. 1 in enterprise zone development district No. 3 in the city of Virginia, is deemed for all purposes under Minnesota Statutes, sections 469.174 to 469.179 to include the following parcels of real property as of June 12, 1984:

(1) Parcel No. 90-124-245 - Ely 79.2' of Lot 1 and all of Lot 2, Block 3, Olcott Addition;

(2) Parcel No. 90-125-247 - Lot 3, Block 3, Olcott Addition; and

(3) Parcel No. 90-125-270 - Lot 4, Block 3, Olcott Addition.

Sec. 21. [ORIGINAL ASSESSED VALUE.]

The original assessed value of the parcels of real property described in section 20 is deemed for all purposes under Minnesota Statutes, sections 469.174 to 469.179 to be the original assessed value of those parcels as of June 12, 1984.

Sec. 22. [CAPTURED ASSESSED VALUE.]

The captured assessed value of the parcels of real property described in section 20 is deemed for all purposes under Minnesota Statutes, sections 469.174 to 469.179 to be the increased assessed value of those parcels computed in the manner prescribed by Minnesota Statutes, section 469.177, and in accordance with this act.

Sec. 23. [EFFECTIVE DATE.]

Except as provided otherwise, sections 2, 5, 6, 7, and 17 are effective for districts approved under section 469.175, subdivision 3, after April 1, 1988. Sections 8, 13, 15, and 18 are effective April 1, 1988. The provision of section 11, paragraph (a), relating to restrictions on the expenditure of tax increments from economic development projects is effective for districts approved under section 469.175, subdivision 3, after April 1, 1988. The amendment to clause (c) of section 11 is effective for expenditures after April 1, 1988, except to the extent that the authority had entered into a binding contract before March 31, 1988, to make expenditures prohibited by that section. Section 16 applies to taxes levied in 1988, payable in 1989, and thereafter, as a result of a referendum held after December 31, 1986, and applies to tax increment districts created before or after the date of enactment of this act. Section 19 is effective for bonds issued after March 31, 1988.

Sections 20 to 22 are effective upon its approval by the city council of the city of Virginia and compliance with Minnesota Statutes, section 645.021.

ARTICLE 14

BUDGET RESERVE

Section 1. Minnesota Statutes 1987 Supplement, section 16A.15, subdivision 6, is amended to read:

Subd. 6. [BUDGET AND CASH FLOW RESERVE ACCOUNT.] A budget and cash flow reserve account is created in the general fund in the state treasury. The commissioner of finance shall, as authorized from time to

time by law, restrict part or all of the budgetary balance in the general fund for use as the budget and cash flow reserve account. The commissioner of finance on July 1, 1987, shall transfer to the budget and cash flow reserve account the amount necessary to bring the total amount, including any existing balance in the account on June 30, 1987, to \$250,000,000 shall set the reserve at \$300,000,000. The amounts restricted shall remain in the account until drawn down under subdivision 1 or increased under section 16A.1541.

Sec. 2. Minnesota Statutes 1987 Supplement, section 16A.1541, is amended to read:

16A.1541 [ADDITIONAL REVENUES; PRIORITY.]

If on the basis of a forecast of general fund revenues and expenditures the commissioner of finance determines that there will be a positive unrestricted budgetary general fund balance at the close of the biennium, the commissioner of finance must allocate money in the following order of priority:

(1) the amount necessary to reduce the property tax levy recognition percent under section 121.904, subdivision 4c, to 24 percent;

(2) the remainder (i) one-half to the greater Minnesota fund, but not to exceed \$120,000,000 and (ii) one-half to the budget and cash flow reserve account until the total amount in the account equals \$550,000,000.

The amounts necessary to meet the requirements of clauses (1) and (2) this section are appropriated from the general fund.

Sec. 3. [REPEALER.]

Laws 1987, chapter 268, article 18, section 5, is repealed.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 to 3 are effective the day following final enactment.

ARTICLE 15

MISCELLANEOUS

Section 1. Minnesota Statutes 1987 Supplement, section 69.54, is amended to read:

69.54 [SURCHARGE ON PREMIUMS TO RESTORE DEFICIENCY IN SPECIAL FUND.]

The commissioner shall order and direct a surcharge to be collected of two percent of the fire, lightning, and sprinkler leakage gross premiums, less return premiums, on all direct business received by any licensed foreign or domestic fire insurance company on property in this city of the first class, or by its agents for it, in cash or otherwise. This surcharge shall be due and payable from these companies to the state treasurer on March 15 31, May 15 31, and November 15 30 of each calendar year, and if not paid within 30 days after these dates, a penalty of ten percent shall accrue thereon and thereafter this sum and penalty shall draw interest at the rate of one percent per month until paid.

Sec. 2. Minnesota Statutes 1986, section 270.70, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY OF COMMISSIONER.] If any tax payable

to the commissioner of revenue or to the department of revenue is not paid when due, such tax may be collected by the commissioner of revenue within five years after the date of assessment of the tax, or if the tax judgment has been filed, within the statutory period of enforcement of a valid tax judgment, by a levy upon all property and rights to property, *including any property in the possession of law enforcement officials*, of the person liable for the payment or collection of such tax (except that which is exempt from execution pursuant to section 550.37) or property on which there is a lien provided in section 270.69. For this purpose, the term "tax" shall include any penalty, interest and costs properly payable. The term "levy" includes the power of distraint and seizure by any means.

Sec. 3. Minnesota Statutes 1986, section 271.01, subdivision 5, is amended to read:

Subd. 5. [JURISDICTION.] The tax court shall have statewide jurisdiction. Except for an appeal to the supreme court or any other appeal allowed under this subdivision, the tax court shall be the sole, exclusive, and final authority for the hearing and determination of all questions of law and fact arising under the tax laws of the state, as defined in this subdivision, in those cases that have been appealed to the tax court and in any case that has been transferred by the district court to the tax court. The tax court shall have no jurisdiction in any case that does not arise under the tax laws of the state or in any criminal case or in any case determining or granting title to real property or in any case that is under the jurisdiction of the probate court. The small claims division of the tax court shall have no jurisdiction in any case dealing with property valuation or assessment for property tax purposes until the taxpayer has appealed the valuation or assessment to the town or city board of equalization and to the county board of equalization, except for those taxpayers whose original assessments are determined by the commissioner of revenue. The tax court shall have no jurisdiction in any case involving an order of the state board of equalization unless a taxpayer contests the valuation of property. Only the taxes, aids and related matters contained in chapters 60A, 69, 124, 270, 272, 273, 274, 275, 276, 277, 278, 279, 285, 287, 288, 290, 290A, 291, 292, 293, 294, 295, 296, 297, 297A, 297B, 297C, 297D, 298, 299, 299F, 473, 473E, and 477A shall be considered tax laws of this state subject to the jurisdiction of the tax court. This subdivision shall not be construed to prevent an appeal, as provided by law, to an administrative agency, board of equalization, or to the commissioner of revenue. Wherever used in this chapter, the term commissioner shall mean the commissioner of revenue, unless otherwise specified.

Sec. 4. Minnesota Statutes 1986, section 287.21, is amended by adding a subdivision to read:

Subd. 4. [TAX-FORFEITED LAND.] Before a state deed for tax-forfeited land may be issued, the deed tax must be paid by purchasers of tax-forfeited land, persons who redeem tax-forfeited land, or local units of government that apply for use or purchase of tax-forfeited land.

Sec. 5. Minnesota Statutes 1987 Supplement, section 295.32, is amended to read:

295.32 [GROSS EARNINGS TAX; ANNUAL RETURN.]

Every telegraph company as defined in section 295.01, subdivision 9, shall file a return with the commissioner of revenue, in such form as the

commissioner shall prescribe, containing a true and just report of its gross earnings derived from business within the state during the preceding calendar year, and make payment of the tax based upon the following percentages of such gross earnings:

- for calendar years beginning before December 31, 1989, 6 percent,
- for calendar year 1990, ~~4.5~~ 4 percent,
- for calendar year 1991, ~~3~~ 2 percent,
- for calendar year ~~1992~~, ~~1.5~~ percent; and
- for calendar years beginning after December 31, ~~1992~~ 1991, exempt.

Such return and payment of the tax due therewith shall be submitted on or before March first of each year, and shall be in lieu of all ad valorem taxes upon the property of such company within the state for the year during which such gross earnings accrued. The provisions of chapter 294 and acts amendatory thereto, shall be applicable to such telegraph companies and to the returns and to the taxes submitted therewith by them.

Sec. 6. Minnesota Statutes 1986, section 296.01, subdivision 6, is amended to read:

Subd. 6. [SPECIAL FUEL.] "Special fuel" means (1) all combustible gases and liquid petroleum products or substitutes therefor, except gasoline, which are delivered into the supply tank of a licensed motor vehicle or into storage tanks maintained by an owner or operator of a licensed motor vehicle as a source of supply for such vehicle; ~~or~~ (2) all combustible gases and liquid petroleum products or substitutes therefor, except gasoline, when delivered to a licensed special fuel dealer or to the retail service station storage of a distributor who has elected to pay the special fuel excise tax as provided in section 296.12, subdivision 3; ~~or~~ (3) all combustible gases and liquid petroleum products or substitutes therefor, except gasoline, which are used as aviation fuel; (4) *all combustible gases and liquid petroleum products or substitutes therefor, except gasoline, which are used for the purpose of producing and generating power for propelling trains in this state; or* (5) *all combustible gases and liquid petroleum products or substitutes therefor, except gasoline, which are used for the purpose of producing and generating power for propelling barges in this state.*

Sec. 7. Minnesota Statutes 1986, section 296.01, subdivision 19, is amended to read:

Subd. 19. [BULK PURCHASER.] "Bulk purchaser" means any person not principally engaged in buying and selling petroleum products or combustible gases who receives special fuel for storage and subsequent delivery into the supply tank of an aircraft ~~or~~, a licensed motor vehicle, *or a train, or for use for producing and generating power for propelling a barge operated by the person.*

Sec. 8. Minnesota Statutes 1986, section 296.12, subdivision 4, is amended to read:

Subd. 4. [MONTHLY REPORTS; SHRINKAGE ALLOWANCE.] On or before the 23rd day of each month, the persons subject to the provisions of this section shall file in the office of the commissioner at St. Paul, Minnesota, a report in the following manner:

- (1) Distributors and special fuel dealers shall report the total number of

gallons delivered to them during the preceding calendar month and shall pay the special fuel excise tax due thereon to the commissioner. Credit for the excise tax due or previously paid on special fuel used by the distributor or special fuel dealer for heating the distributor's or dealer's place of business, or special fuel sold for any purpose other than use in licensed motor vehicles and evidenced by an invoice issued at time of sale, may be allowed in computing the tax liability. The invoice must show the true and correct name and address of the purchaser, and the purchaser's signature. The report shall contain such other information as the commissioner may require.

(2) Distributors and special fuel dealers who have elected to pay the special fuel excise tax on all special fuel delivered into the supply tank of an aircraft or licensed motor vehicle as provided in subdivision 3, shall report the total number of gallons delivered into the supply tank of an aircraft or licensed motor vehicle during the preceding calendar month and shall pay the special fuel excise tax due thereon to the commissioner.

(3) Bulk purchasers shall report and pay the special fuel excise tax on all special fuel purchased by them for storage, during the preceding calendar month. In such cases as the commissioner may permit, credit for the excise tax due or previously paid on special fuel not used in aircraft, *trains, or for producing and generating power for propelling barges*, or licensed motor vehicles, may be allowed in computing tax liability. The report shall contain such other information as the commissioner may require.

(4) In computing the special fuel excise tax due under clauses (1), (2), and (3), a deduction of one percent of the quantity of special fuel on which tax is due shall be made for evaporation and loss.

(5) Each report shall contain a confession of judgment for the amount of the tax shown due thereon to the extent not timely paid.

Sec. 9. Minnesota Statutes 1986, section 296.14, subdivision 2, is amended to read:

Subd. 2. [CREDIT OR REFUND OF TAX PAID.] The commissioner shall allow the distributor credit or refund of the tax paid on gasoline and special fuel:

(1) Exported or sold for export from the state, other than in the supply tank of a motor vehicle ~~or of~~, an aircraft, *a train, or for producing and generating power for propelling barges*;

(2) Sold to the United States government or to any "cost plus a fixed fee" contractor employed by the United States government on any national defense project;

(3) Sold to another licensed distributor;

(4) Destroyed by accident while in the possession of the distributor;

(5) In error;

(6) Sold for storage in an on-farm bulk storage tank, if the tax was not collected on the sale;

(7) In such other cases as the commissioner may permit, not inconsistent with the provisions of this chapter and other laws relating to the gasoline and special fuel excise taxes.

Sec. 10. Minnesota Statutes 1986, section 296.18, subdivision 1, is amended to read:

Subdivision 1. [GASOLINE OR SPECIAL FUEL USED IN OTHER THAN MOTOR VEHICLES.] Any person who shall buy and use gasoline for a qualifying purpose other than use in motor vehicles, snowmobiles, or motorboats, or special fuel for a qualifying purpose other than use in licensed motor vehicles, and who shall have paid the Minnesota excise tax directly or indirectly through the amount of the tax being included in the price of the gasoline or special fuel, or otherwise, shall be reimbursed and repaid the amount of the tax paid upon filing with the commissioner a signed claim in writing in the form and containing the information the commissioner shall require and accompanied by the original invoice thereof. By signing any such claim which is false or fraudulent, the applicant shall be subject to the penalties provided in this section for knowingly making a false claim. The claim shall set forth the total amount of the gasoline so purchased and used by the applicant other than in motor vehicles, or special fuel so purchased and used by the applicant other than in licensed motor vehicles, and shall state when and for what purpose it was used. When a claim contains an error in computation or preparation, the commissioner is authorized to adjust the claim in accordance with the evidence shown on the claim or other information available to the commissioner. The commissioner, on being satisfied that the claimant is entitled to the payments, shall approve the claim and transmit it to the commissioner of finance. No repayment shall be made unless the claim and invoice shall be filed with the commissioner within one year from the date of the purchase. The postmark on the envelope in which the claim is mailed shall determine the date of filing. The words "gasoline" or "special fuel" as used in this subdivision do not include aviation gasoline or special fuel for aircraft, trains, or used for producing and generating power for propelling barges. Gasoline or special fuel bought and used for a "qualifying purpose" means:

(1) Gasoline or special fuel used in carrying on a trade or business, used on a farm situated in Minnesota, and used for a farming purpose. "Farm" and "farming purpose" have the meanings given them in section 6420(c)(2), (3), and (4) of the Internal Revenue Code of 1954, as amended through December 31, 1983.

(2) Gasoline or special fuel used for off-highway business use. "Off-highway business use" means any use by a person in that person's trade, business, or activity for the production of income. "Off-highway business use" does not include use as a fuel in a motor vehicle which, at the time of use, is registered or is required to be registered for highway use under the laws of any state or foreign country.

(3) Gasoline or special fuel placed in the fuel tanks of new motor vehicles, manufactured in Minnesota, and shipped by interstate carrier to destinations in other states or foreign countries.

Sec. 11. Minnesota Statutes 1986, section 297D.08, is amended to read:
297D.08 [TAX RATE.]

A tax is imposed on marijuana and controlled substances as defined in section 297D.01 at the following rates:

- (1) on each gram of marijuana, or each portion of a gram, \$3.50; and
- (2) on each gram of controlled substance, or portion of a gram, \$200;
or
- (3) on each ~~50~~ ten dosage units of a controlled substance that is not sold

by weight, or portion thereof, ~~\$2,000~~ \$400.

Sec. 12. Minnesota Statutes 1987 Supplement, section 298.22, subdivision 1, is amended to read:

Subdivision 1. (1) The office of commissioner of iron range resources and rehabilitation is created. The commissioner shall be appointed by the governor under the provisions of section 15.06.

(2) The commissioner may hold such other positions or appointments as are not incompatible with duties as commissioner of iron range resources and rehabilitation. The commissioner may appoint a deputy commissioner. All expenses of the commissioner, including the payment of such assistance as may be necessary, shall be paid out of the amounts appropriated by section 298.28. The compensation of the commissioner shall be set by the legislative coordinating commission and may not exceed the maximum salary set for the commissioner of administration under section 15A.081, subdivision 1.

(3) When the commissioner shall determine that distress and unemployment exists or may exist in the future in any county by reason of the removal of natural resources or a possibly limited use thereof in the future and the decrease in employment resulting therefrom, now or hereafter, the commissioner may use such amounts of the appropriation made to the commissioner of revenue in section 298.28 as are determined to be necessary and proper in the development of the remaining resources of said county and in the vocational training and rehabilitation of its residents, *except that the legislature shall appropriate money from other sources to cover cost overruns awarded to a contractor by an arbitrator in relation to a contract awarded by the commissioner or in effect after July 1, 1985.* For the purposes of this section, "development of remaining resources" includes, but is not limited to, the promotion of tourism.

Sec. 13. Minnesota Statutes 1987 Supplement, section 298.2213, subdivision 3, is amended to read:

Subd. 3. [USE OF MONEY.] The money appropriated under this section may be used to provide loans, loan guarantees, interest buy-downs, and other forms of participation with private sources of financing, provided that a loan to a private enterprise must be for a principal amount not to exceed one-half of the cost of the project for which financing is sought, and the rate of interest on a loan must be no less than the lesser of eight percent or the rate of interest ~~set by the Minnesota development board for comparable small business development loans at that time~~ *that is three percentage points less than a full faith and credit obligation of the United States government of comparable maturity, at the time that the loan is approved.*

Money appropriated in this section must be expended only in or for the benefit of the tax relief area defined in section 273.134, and as otherwise provided in this section.

Sec. 14. Minnesota Statutes 1986, section 298.223, is amended to read:

298.223 [TACONITE AREA ENVIRONMENTAL PROTECTION FUND.]

Subdivision 1. [CREATION; PURPOSES.] A fund called the taconite environmental protection fund is created for the purpose of reclaiming, restoring and enhancing those areas of northeast Minnesota located within a tax relief area defined in section 273.134 that are adversely affected by

the environmentally damaging operations involved in mining taconite and iron ore and producing iron ore concentrate and for the purpose of promoting the economic development of northeast Minnesota. The taconite environmental protection fund shall be used for the following purposes:

(a) to initiate investigations into matters the iron range resources and rehabilitation board determines are in need of study and which will determine the environmental problems requiring remedial action;

(b) reclamation, restoration or reforestation of minelands not otherwise provided for by state law;

(c) local economic development projects including construction of sewer and water systems, and other public works located within a tax relief area defined in section 273.134;

(d) monitoring of mineral industry related health problems among mining employees.

Subd. 2. [ADMINISTRATION.] The taconite environmental protection fund shall be administered by the commissioner of the iron range resources and rehabilitation board. The commissioner shall by September 1 of each year prepare a list of projects to be funded from the taconite environmental protection fund, with such supporting information including description of the projects, plans, and cost estimates as may be necessary. Upon recommendation of the iron range resources and rehabilitation board, this list shall be submitted to the legislative advisory commission for its review. This list with the recommendation of the legislative advisory commission shall then be transmitted to the governor by November 1 of each year. By December 1 of each year, the governor shall approve or disapprove, or return for further consideration, each individual project. Funds for a project may be expended only upon approval of the project by the governor.

The commissioner may submit supplemental projects for approval at any time. Supplemental projects approved by the board must be submitted to the members of the legislative advisory commission for their review and recommendations of further review. If a recommendation is not provided within ten days, no further review by the legislative advisory commission is required, and the governor shall approve or disapprove each project or return it for further consideration. If the recommendation by any member is for further review the governor shall submit the request to the legislative advisory commission for its review and recommendation. Failure or refusal of the commission to make a recommendation promptly is a negative recommendation.

Subd. 3. [APPROPRIATION.] There is hereby annually appropriated to the commissioner of iron range resources and rehabilitation such funds as are necessary to carry out the projects approved and such funds as are necessary for administration of this section. Annual administrative costs, not including detailed engineering expenses for the projects, shall not exceed five percent of the amount annually expended from the fund.

Funds for the purposes of this section are provided by section 298.28, subdivision 11 relating to the taconite environmental protection fund.

Sec. 15. Minnesota Statutes 1986, section 298.28, subdivision 3, is amended to read:

Subd. 3. [CITIES; TOWNS.] (a) 12.5 cents per taxable ton, less any

amount distributed under subdivision 8, and paragraph (b) of this subdivision, must be allocated to the taconite municipal aid account to be distributed as provided in section 298.282.

(b) An amount must be allocated to towns or cities that is annually certified by the county auditor of a county containing a taconite tax relief area within which there is (1) an organized township if, as of January 2, 1982, more than 75 percent of the assessed valuation of the township consists of iron ore or (2) a city if, as of January 2, 1980, more than 75 percent of the assessed valuation of the city consists of iron ore.

(c) The amount allocated under paragraph (b) will be the portion of a township's or city's certified levy equal to the proportion of (1) the difference between 50 percent of January 2, 1982, assessed value in the case of a township and 50 percent of the January 2, 1980, assessed value in the case of a city and its current assessed value to (2) the sum of its current assessed value plus the difference determined in (1), *provided that the amount distributed shall not exceed \$55 per capita in the case of a township or \$75 per capita in the case of a city. For purposes of this limitation, population will be determined according to the 1980 decennial census conducted by the United States Bureau of the Census.* The county auditor shall extend the township's or city's levy against the sum of the township's or city's current assessed value plus the difference between 50 percent of its January 2, 1982, assessed value and its current assessed value in the case of a township and between 50 percent of its January 2, 1980, assessed value and its current assessed value in the case of a city. If the current assessed value of the township exceeds 50 percent of the township's January 2, 1982, assessed value, or if the current assessed value of the city exceeds 50 percent of the city's January 2, 1980, assessed value, this paragraph shall not apply.

Sec. 16. Minnesota Statutes 1986, section 298.75, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] Except as ~~may~~ otherwise be provided, the following words, when used in definitions in this subdivision apply to this section, shall have the meanings herein ascribed to them.

(1) (a) "Aggregate material" shall mean means nonmetallic natural mineral aggregate including, but not limited to sand, silica sand, gravel, building stone, crushed rock, limestone, and granite. Aggregate material shall does not include dimension stone and, dimension granite, metallurgical limestone, and dolomite.

(2) (b) "Person" shall mean means any individual, firm, partnership, corporation, organization, trustee, association, or other entity.

(3) (c) "Operator" shall mean means any person engaged in the business of removing aggregate material from the surface or subsurface of the soil, for the purpose of sale, either directly or indirectly, through the use of the aggregate material in a marketable product or service.

(4) (d) "Extraction site" shall mean means a pit, quarry, or deposit containing aggregate material and any contiguous property to the pit, quarry, or deposit which is used by the operator for stockpiling the aggregate material.

(5) (e) "Importer" shall mean means any person who buys aggregate material produced from a county not listed in paragraph (6) or another state

and causes the aggregate material to be imported into a county in this state which imposes a tax on aggregate material.

(6) (f) "County" shall mean means the counties of Stearns, Benton, Sherburne, Carver, Scott, Dakota, Le Sueur, Kittson, Marshall, Pennington, Red Lake, Polk, Norman, Mahnomen, Clay, Becker, Wilkin, Big Stone, Sibley, Hennepin, Washington, and Ramsey.

Sec. 17. Minnesota Statutes 1986, section 387.212, is amended to read:
387.212 [CONTINGENT FUND.]

The board of county commissioners in any county may create a sheriff's contingent fund and may credit thereto not more than ~~\$3,000~~ \$10,000. The money in such fund may be used for the advancement and reimbursement of expenses of the sheriff and the sheriff's office. Such moneys shall be disbursed by the county treasurer in accordance with rules and regulations prescribed by the board. Any balance remaining at the end of the year shall be transferred to the revenue fund.

Sec. 18. Minnesota Statutes 1987 Supplement, section 469.170, is amended by adding a subdivision to read:

Subd. 5d. [AMENDMENT OF PLANS.] A written multiyear enterprise zone tax credit distribution plan submitted under subdivision 5a, 5b, or 5c, may be amended, provided that an initial amendment may be made no sooner than two years from the date of submission of the original plan, and subsequent amendments may be made no sooner than two years after the most recent prior amendment.

Sec. 19. Minnesota Statutes 1986, section 473.843, subdivision 2, is amended to read:

Subd. 2. [DISPOSITION OF PROCEEDS.] After reimbursement to the department of revenue for costs incurred in administering this section, the proceeds of the fees imposed under this section, including interest and penalties, must be deposited as follows:

(a) one-half of the proceeds must be deposited in the landfill abatement fund established in section 473.844; and

(b) one-half of the proceeds must be deposited in the metropolitan landfill contingency action fund established in section 473.845.

Sec. 20. Minnesota Statutes 1986, section 507.235, subdivision 1, is amended to read:

Subdivision 1. [FILING REQUIRED.] All contracts for deed executed on or after January 1, 1984, shall be recorded within six months in the office of the county recorder or registrar of titles in the county in which the land is situated provided that this period may be extended until October 31 of the year in which the sale occurred if the vendor's or vendee's failure to pay property taxes due in the current year prior to October 15 on a parcel that was subdivided and classified as class 1, class 1b, or class 2a under section 273.13 has prevented filing and recording of the contract under section 272.121.

Sec. 21. Laws 1982, chapter 523, article XI, section 1, is amended to read:

Section 1. [DULUTH; BONDS; PURCHASE OF EQUIPMENT.]

The Duluth city council may by ordinance provide for the annual issuance of general obligation bonds in a principal amount not to exceed \$2,000,000 annually for ~~three years until the date provided by section 33~~ to provide funds to purchase capital equipment for the city. For purposes of this law, "capital equipment" means any equipment having an estimated useful life of at least five years. The issuance of the bonds shall be subject to Minnesota Statutes, Chapter 475, except that no election shall be required except as provided in section 2, or as required by the Duluth City Charter, Section 52.

Sec. 22. Laws 1982, chapter 523, article XI, section 3, is amended to read:

Sec. 3. [LOCAL APPROVAL.]

Sections 1 and 2 are effective the day after compliance with Minnesota Statutes, Section 645.021, Subdivision 3, by the governing body of the city of Duluth but no bonds shall be issued pursuant to this act after April 1, 1985 1990.

Sec. 23. Laws 1986, chapter 441, section 14, is amended to read:

Sec. 14. [APPROPRIATION.]

\$20,000,000 is appropriated to the commissioner of natural resources. Notwithstanding Minnesota Statutes, section 298.293 or 298.294 or any other law, this appropriation is from the corpus of the northeast Minnesota economic protection fund. This money is available only as a loan guarantee for the smelting project using the COREX process and is contingent upon receipt by the commissioner of natural resources of sufficient funding from other sources to complete the project. If the project is approved by the United States department of energy prior to December 31, 1987 1988, this appropriation does not cancel but is available until June 30, 1992, or the project is completed or abandoned, whichever occurs earlier. On July 1, 1992, \$20,000,000 is appropriated from the general fund; ~~to be taken from the proceeds of the taconite occupation tax imposed under Minnesota Statutes, section 298.01,~~ to the commissioner of natural resources to be used only to continue the loan guarantee or to be drawn down to cover a default according to this subdivision. If the general fund appropriation is used to cover a default in the loan, there shall be repaid from the northeast Minnesota economic protection trust fund to the general fund *one-half* the amount of the default. Payments shall be made in ten equal annual installments, with the first payment made one year from the date of the default. No interest shall be paid on these payments. An amount sufficient to make the repayments is appropriated from the northeast Minnesota economic protection trust fund. The money appropriated from the northeast Minnesota economic protection trust fund shall be spent only in or for the benefit of tax relief areas as defined in Minnesota Statutes, section 273.134.

Sec. 24. [HARDSHIP LOANS.]

Notwithstanding the limitations on the metropolitan council's authority to make hardship loans in Minnesota Statutes, section 473.167, subdivision 2a, paragraph (b), the council may make hardship loans until December 31, 1988, to Washington county to purchase homestead property from and provide relocation assistance to property owners affected by hardship acquisitions incurred because of adoption of the Washington county Big Marine Park master plan. Except as provided in this section, the hardship loans must be made in accordance with Minnesota Statutes, section 473.167,

subdivisions 2 and 2a.

Sec. 25. [REFUNDING BONDS.]

The city of Little Falls in Morrison county, by resolution of its city council, may issue and sell general obligation refunding bonds of the city in a principal amount not exceeding \$3,300,000, the proceeds of which are to be used to refund the city's general obligation tax increment bonds of 1985. The refunding bonds shall be issued and sold in accordance with Minnesota Statutes, chapter 475, except that:

(1) the refunding bonds shall be treated as obligations described in Minnesota Statutes, section 475.58, subdivision 1, paragraph (3);

(2) Minnesota Statutes, section 475.67, subdivision 12, shall not apply;

(3) the amount of bonds issued shall not be included in computing any debt limitation applicable to the city; and

(4) the levy of taxes required by Minnesota Statutes, section 475.61, to pay the principal of and interest on the bonds shall not be subject to any levy limitation or be included in computing or applying any levy limitation applicable to the city.

Sec. 26. [APPLICATION OF PROCEEDS OF REFUNDED BONDS.]

The city of Little Falls in Morrison county, by resolution of its city council, may appropriate any of the unexpended proceeds of its general obligation tax increment bonds of 1985, except proceeds held in the debt service fund for the bonds, to any other municipal purpose for which the city could issue its bonds, including the purposes set forth in Minnesota Statutes, section 475.52, subdivision 1 or 2, 429.021, 444.075, or 469.176, subdivision 4. To the extent that the proceeds are appropriated for an improvement for which special assessments are levied or tax increments are collectible, the city shall appropriate the receipts from the special assessments or tax increments, subject to any prior pledge of them to secure other obligations of the city, to the payment of the general obligation tax increment bonds of 1985, or to the payment of any refunding bonds issued pursuant to section 25.

Sec. 27. [CITY OF HERMANTOWN; PROPERTY TAXES ON LAND HELD FOR ECONOMIC DEVELOPMENT.]

Notwithstanding the time limitation contained in Minnesota Statutes 1986, section 272.02, subdivision 5, the holding of property that has been held for seven years as of August 1, 1987, by the city of Hermantown for later resale for economic development purposes is a public purpose under Minnesota Statutes, section 272.02, subdivision 1, clause (7), for a period not to exceed 10 years. This section does not apply if buildings or other improvements are constructed after acquisition of the property, and if more than one-half of the floor space of the buildings or improvements that is available for lease to or use by a private individual, corporation, or other entity is leased to or otherwise used by a private individual, corporation, or other entity. This section does not create an exemption from Minnesota Statutes, section 272.01, subdivision 2; 272.68; 273.19; or 469.040, subdivision 3; or other provision of law providing for the taxation of or for payments in lieu of taxes for publicly held property which is leased, loaned, or otherwise made available and used by a private person.

Sec. 28. [AUTHORIZATION FOR BONDS.]

Ramsey county may issue general obligation bonds in one or more series in an amount not to exceed \$48,800,000, in the aggregate, to finance the repair, restoration, and modernization of the Saint Paul City Hall and Ramsey County Courthouse building. In addition, Ramsey county may issue general obligation bonds in one or more series in an amount not to exceed \$2,000,000, in the aggregate, to finance the restoration of the concourse of the St. Paul union depot as a facility for the exhibition of works of art, the proceeds of which may not be used for that purpose until \$500,000 in operational funding has been committed by nonpublic sources. The bonds shall be issued pursuant to Minnesota Statutes, chapter 475, except that the bonds shall not be subject to its election requirements or debt limits. They shall not be subject to any other debt or tax levy limitations applicable to the county and shall not be considered in calculating amounts subject to any other debt or tax levy limitations. Levies by the county for debt servicing payment for the retirement of the bonds shall be exempt from and disregarded in the calculation of all tax levy limitations applicable to the county.

Sec. 29. [JOINT POWERS AGREEMENT.]

Before the issuance of bonds authorized under section 28, the city and county shall enter into joint powers agreements delineating the powers and responsibilities of each party respecting (i) the repair, restoration, expansion, and modernization of the city hall and county courthouse building; (ii) the normal repair and maintenance of the building, and the determination of proportionate square foot exclusive usage of the building by the county and the city; and (iii) the transfer of ownership or reversionary interests in Lake Owasso residence, the Ramsey county workhouse, Boys Totem Town, Woodview Detention Center, and St. Paul-Ramsey Medical Center and any other property the city and county agree upon.

Sec. 30. [ASSUMPTION OF DEBT.]

Ramsey county is authorized to assume all remaining debt service on bonds issued by the city of Saint Paul for construction of St. Paul-Ramsey Medical Center under Laws 1957, chapter 938, section 6. The obligation authorized to be assumed under this section is not subject to election requirements nor to the debt or tax levy limitations applicable to the county and shall not be considered in calculating amounts subject to any other debt or tax levy limitations. Any levies by the county for debt servicing payment for the retirement of these bonds shall be exempt from all tax levy limitations applicable to the county.

Sec. 31. [APPROPRIATION.]

\$40,750 is appropriated from the metropolitan landfill abatement fund and \$40,750 is appropriated from the metropolitan landfill contingency action fund to the department of revenue for fiscal year 1989 for the purpose of administering section 473.843.

Sec. 32. [TRANSFER.]

Effective June 1, 1988, \$8,500 is transferred from the metropolitan landfill abatement fund and \$8,500 is transferred from the metropolitan landfill contingency action fund to the department of revenue for the purpose of reimbursing the department for costs incurred by the department in administering section 473.843 during fiscal year 1988.

Sec. 33. [EFFECTIVE DATE.]

Sections 1, 2, 5, 11, and 16 are effective July 1, 1988. Section 4 is effective for all instruments recorded after May 31, 1987. Sections 3, 12, 17, 18, 19, and 31 are effective the day following final enactment. Sections 6 to 10 are effective July 1, 1987. Section 20 is effective the day following final enactment.

Sections 21 and 22 are effective the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of the city of Duluth.

Pursuant to Minnesota Statutes, section 645.023, subdivision 1, paragraph (a), sections 25 and 26 are effective without local approval on the day following final enactment.

Section 27 is effective the day after compliance with Minnesota Statutes, section 645.021 by the city council of Hermantown and terminates effective with taxes levied in 1989, payable 1990.

Sections 28 to 30 are effective the day after filing of certificates of local approval by the governing body of the city of Saint Paul and by the Ramsey county board in compliance with Minnesota Statutes, section 645.021, subdivision 3.

ARTICLE 16.

TECHNICAL CORRECTIONS

Section 1. Minnesota Statutes 1987 Supplement, section 273.123, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For purposes of this section (a) "disaster or emergency" means

- (1) a major disaster as determined by the president of the United States;
- (2) a natural disaster as determined by the secretary of agriculture;
- (3) a disaster as determined by the administrator of the small business administration; or
- (4) a tornado, storm, flood, earthquake, landslide, explosion, fire or similar catastrophe, as a result of which a local emergency is declared pursuant to section 12.29.

(b) "disaster or emergency area" means an area

(1) in which the president of the United States, the secretary of agriculture, or the administrator of the small business administration has determined that a disaster exists pursuant to federal law or in which a local emergency has been declared pursuant to section 12.29; and

(2) for which an application by the local unit of government requesting property tax relief under this section has been received by the governor and approved by the executive council.

(c) "homestead property" means homestead dwelling that is classified as class 1, 1b under section 273.13, subdivision 22, paragraph (b), or 2a property or a manufactured home or sectional home used as a homestead and taxed pursuant to section 274.19, subdivision 8, paragraph (b), (c), or (d).

Sec. 2. Minnesota Statutes 1987 Supplement, section 273.124, subdivision 8, is amended to read:

Subd. 8. [HOMESTEAD OWNED BY FAMILY FARM CORPORATION OR PARTNERSHIP.] (a) Each family farm corporation and each partnership operating a family farm is entitled to *class 1b under section 273.13, subdivision 22, paragraph (b)*, or class 2a assessment for one homestead occupied by a shareholder or partner thereof who is residing on the land and actively engaged in farming of the land owned by the corporation or partnership. Homestead treatment applies even if legal title to the property is in the name of the corporation or partnership and not in the name of the person residing on it. "Family farm corporation" and "family farm" have the meanings given in section 500.24.

(b) In addition to property specified in paragraph (a), any other residences owned by corporations or partnerships described in paragraph (a) which are located on agricultural land and occupied as homesteads by shareholders or partners who are actively engaged in farming on behalf of the corporation or partnership must also be assessed as class 2a property or as *class 1b property under section 273.13, subdivision 22, paragraph (b)*, but the property eligible is limited to the residence itself and as much of the land surrounding the homestead, not exceeding one acre, as is reasonably necessary for the use of the dwelling as a home, and does not include any other structures that may be located on it.

Sec. 3. Minnesota Statutes 1987 Supplement, section 273.124, subdivision 11, is amended to read:

Subd. 11. [LIMITATION ON HOMESTEAD CLASSIFICATION.] If the assessor has classified a property as both homestead and nonhomestead, the greater of the value attributable to the portion of the property classified as class 1, *class 1b under section 273.13, subdivision 22, paragraph (b)*, or class 2a or the value of the first tier of assessment percentages provided under section 273.13, subdivision 22, or subdivision 23, paragraph (a), or *subdivision 22, paragraph (b)*, is entitled to assessment as a homestead under section 273.13, subdivision 22 or, 23, and the homestead exemption under section 275.081, subdivision 2. The limitation in this subdivision does not apply to buildings containing fewer than four residential units or to a single rented or leased dwelling unit located within or attached to a private garage or similar structure owned by the owner of a homestead and located on the premises of that homestead.

If the assessor has classified a property as both homestead and nonhomestead, the reductions in tax provided under sections 273.135, and 273.1391 apply to the value of both the homestead and the nonhomestead portions of the property.

Sec. 4. Minnesota Statutes 1987 Supplement, section 273.13, subdivision 23, is amended to read:

Subd. 23. [CLASS 2.] (a) Class 2a property is agricultural land that is homesteaded, together with the house and garage. The first \$66,000 of market value of an agricultural homestead is valued at 30 percent. The remaining value of class 2a property is assessed at 40 percent of market value.

Noncontiguous land shall constitute class 2a only if the homestead is classified as class 2a and the detached land is located in the same township or city or not farther than two townships or cities or combination thereof from the homestead.

Agricultural land used for purposes of a homestead and actively farmed

by a person holding a vested remainder interest in it must be classified class 2a. If agricultural land is classified class 2a, any other dwellings on the land used for purposes of a homestead by persons holding vested remainder interests who are actively engaged in farming the property, and up to one acre of the land surrounding each homestead and reasonably necessary for the use of the dwelling as a home, must also be assessed class 2a and is entitled to the homestead credit.

The tax to be paid on class 2a property and class 1b property under section 273.13, subdivision 22, paragraph (b), used for agricultural purposes, less any reduction received pursuant to sections 273.123 and 473H.10 shall be reduced by 52 percent of the tax. The amount of the reduction shall not exceed \$700.

(b) Class 2b property is (1) real estate, rural in character and used exclusively for growing trees for timber, lumber, and wood and wood products; and (2) real estate that is nonhomestead agricultural land. Class 2b property is assessed at 40 percent of market value.

Agricultural land as used in this section shall mean contiguous acreage of ten acres or more, primarily used during the preceding year for agricultural purposes. Agricultural use may include pasture, timber, waste, unusable wild land and land included in federal farm programs.

Real estate of less than ten acres used principally for raising poultry, livestock, fruit, vegetables or other agricultural products, shall be considered as agricultural land, if it is not used primarily for residential purposes.

The assessor shall determine and list separately on the records the market value of the homestead dwelling and the one acre of land on which that dwelling is located. If any farm buildings or structures are located on this homesteaded acre of land, their market value shall not be included in this separate determination.

Sec. 5. Minnesota Statutes 1986, section 273.1315, is amended to read:

273.1315 [CERTIFICATION OF 1B PROPERTY.]

Any property owner seeking classification and assessment of the owner's homestead as class 1b property pursuant to section 273.13, subdivision 22, paragraph (b), clause (2) or (3), shall file with the commissioner of revenue for each assessment year a 1b homestead declaration, on a form prescribed by the commissioner. The declaration shall contain the following information:

(a) the information necessary to verify that the property owner or the owner's spouse satisfies the requirements of section 273.13, subdivision 22, paragraph (b), for 1b classification;

(b) the property owner's household income, as defined in section 290A.03, for the previous calendar year; and

(c) any additional information prescribed by the commissioner.

The declaration shall be filed on or before March 1 of each year to be effective for property taxes payable during the succeeding calendar year. The declaration and any supplementary information received from the property owner pursuant to this section shall be subject to section 290A.17.

The commissioner shall provide to the assessor on or before April 1 a listing of the parcels of property qualifying for 1b classification.

Sec. 6. Minnesota Statutes 1987 Supplement, section 273.37, subdivision 2, is amended to read:

Subd. 2. Transmission lines of less than 69 kv, transmission lines of 69 kv and above located in an unorganized township, *and distribution lines*, and equipment attached thereto, having a fixed situs outside the corporate limits of cities except distribution lines taxed as provided in sections 273.40 and 273.41, shall be listed with and assessed by the commissioner of revenue in the county where situated. The commissioner shall assess such property at the percentage of market value fixed by law; and, on or before the 15th day of November, shall certify to the auditor of each county in which such property is located the amount of the assessment made against each company and person owning such property.

Sec. 7. Minnesota Statutes 1987 Supplement, section 275.50, subdivision 2, is amended to read:

Subd. 2. [GOVERNMENTAL SUBDIVISION.] (a) "Governmental subdivision" means a county, home rule charter city, *or statutory city*.

(b) "Governmental subdivision" also includes any town that receives a distribution from the taconite municipal aid account in the levy year.

Sec. 8. Minnesota Statutes 1987 Supplement, section 275.51, subdivision 3h, is amended to read:

Subd. 3h. [ADJUSTED LEVY LIMIT BASE.] For taxes levied in 1988 and thereafter, the adjusted levy limit base is equal to the levy limit base computed pursuant to ~~article 5, section 12, or~~ subdivision 3f *or Laws 1987, article 5, section 12, for cities that had a population of less than 5,000 according to the 1980 census and did not receive taconite municipal aid in 1986*, increased by:

(a) a percentage equal to the percentage growth in the implicit price deflator, or three percent, whichever is lesser;

(b) a percentage equal to the greater of the percentage increases in population or in number of households, if any, for the most recent 12-month period for which data is available, using figures derived pursuant to subdivision 6;

(c) one-half of the amount levied as a special levy in the previous year for paying the costs of municipal services provided to new private industrial and nonresidential commercial development pursuant to section 275.50, subdivision 5, clause (m), if the special levy is discontinued;

(d) the amount of any permanent increase in the levy limit base approved at a general or special election held during the 12-month period ending September 30 of the levy year, pursuant to section 275.58, subdivisions 1 and 2; and

(e) the amount, if known, equal to the decrease in federal revenue sharing allotment from the levy year to the year in which the levy is payable; otherwise the amount equal to the decrease in federal revenue sharing allotment in the levy year as compared to the previous year if the levy base for the previous year has not been adjusted for a decrease in federal revenue sharing allotment.

Sec. 9. Minnesota Statutes 1987 Supplement, section 290.067, subdivision 2a, is amended to read:

Subd. 2a. [INCOME.] For purposes of this section, "income" means the sum of the following:

(1) the greater of federal adjusted gross income as defined in section 62 of the Internal Revenue Code or zero; and

(2) the sum of the following amounts to the extent not included in clause (1):

(i) all nontaxable income;

(ii) the amount of a passive activity loss that is not disallowed as a result of section 469, paragraph (i) or (1) of the Internal Revenue Code and the amount of passive activity loss carryover allowed under section 469(b) of the Internal Revenue Code;

(iii) an amount equal to the total of any discharge of qualified farm indebtedness of a solvent individual excluded from gross income under section 108(g) of the Internal Revenue Code;

(iv) cash public assistance and relief;

(v) any pension or annuity (including railroad retirement benefits; all payments received under the federal Social Security Act, supplemental security income, and veterans benefits); which was not exclusively funded by the claimant or spouse; or which was funded exclusively by the claimant or spouse and which funding payments were excluded from federal adjusted gross income in the years when the payments were made;

(vi) interest received from the federal or a state government or any instrumentality or political subdivision thereof;

(vii) workers' compensation;

(viii) nontaxable strike benefits;

(ix) the gross amounts of payments received in the nature of disability income or sick pay as a result of accident, sickness, or other disability, whether funded through insurance or otherwise;

(x) the ordinary income portion of a lump sum distribution under section 402(e) of the Internal Revenue Code; and

(xi) contributions made by the claimant to an individual retirement account, including a qualified voluntary employee contribution; simplified employee pension plan; self-employed retirement plan; cash or deferred arrangement plan under section 401(k) of the Internal Revenue Code; or deferred compensation plan under section 457 of the Internal Revenue Code has the meaning given it in section 290A.03, subdivision 3.

Sec. 10. Minnesota Statutes 1987 Supplement, section 290.092, subdivision 5, is amended to read:

Subd. 5. [IMPOSITION OF TAX AFTER 1989.] For taxable years beginning after December 31, 1989, in addition to the taxes computed under this chapter without regard to this section, the franchise tax imposed on corporations includes a tax equal to the excess, if any, of:

(1) 40 percent of the tax imposed upon the corporation under section 55(a) of the Internal Revenue Code of 1986, as amended through December 31, 1986, apportioned to Minnesota under section 290.191. In computing the amount of the liability under section 55(a) of the Internal Revenue Code of 1986, the regular federal tax liability under section 55(a)(2) of

the Internal Revenue Code of 1986, must be determined using federal taxable income as modified by sections 290.01, subdivisions 19c and 19d, 290.095, and 290.21, and alternative minimum taxable income under section 56 of the Internal Revenue Code of 1986 must be computed as if the section 290.095 restrictions on net operating losses applied.

(2) the amount of tax computed under this chapter without regard to this section.

Sec. 11. Minnesota Statutes 1987 Supplement, section 297A.25, subdivision 3, is amended to read:

Subd. 3. [MEDICINES; MEDICAL DEVICES.] The gross receipts from the sale of prescribed drugs, prescribed medicine and insulin, intended for use, internal or external, in the cure, mitigation, treatment or prevention of illness or disease in human beings are exempt, together with prescription glasses, therapeutic, and prosthetic devices. "Prescribed drugs" or "prescribed medicine" includes over-the-counter drugs or medicine prescribed by a licensed physician.

Sec. 12. Minnesota Statutes 1987 Supplement, section 297A.44, subdivision 1, is amended to read:

Subdivision 1. (a) Except as provided in paragraphs (b) and (c) all revenues, including interest and penalties, derived from the excise and use taxes imposed by sections 297A.01 to 297A.44 shall be deposited by the commissioner in the state treasury and credited to the general fund.

(b) All excise and use taxes derived from sales and use of property and services purchased for the construction and operation of an agricultural resource project, from and after the date on which a conditional commitment for a loan guaranty for the project is made pursuant to section 41A.04, subdivision 3, shall be deposited in the agricultural resource loan guaranty fund. The commissioner of finance shall certify to the commissioner the date on which the project received the conditional commitment. The amount deposited in the loan guaranty fund shall be reduced by any refunds and by the costs incurred by the department of revenue to administer and enforce the assessment and collection of the taxes.

(c) All revenues, including interest and penalties, derived from the excise and use taxes imposed on sales and purchases included in section 48 52, paragraph (i), clauses (1) and (2), must be deposited by the commissioner of revenue in a separate and special fund, designated as the sports and health club sales tax revenue fund in the state treasury and credited as follows:

(1) first to the general obligation special tax bond debt service account in each fiscal year the amount required by section 31, subdivision 3, paragraph (b); and

(2) after the requirements of paragraph (a) of this section have been met:

(i) no more than the amounts specifically appropriated to operate and maintain facilities financed under section 8, subdivision 3; must be credited to an amateur athletic facilities account set up for this purpose; and

(ii) the balance must be credited to the general fund.

Sec. 13. Minnesota Statutes 1987 Supplement, section 473F02, subdivision 4, is amended to read:

Subd. 4. "Residential property" means the following categories of property, as defined in section 273.13, excluding that portion of such property exempt from taxation pursuant to section 272.02:

(a) Class 1, 2a, 4a, 4b, 4c, and 4d property except resorts *and property classified under section 273.13, subdivision 25, paragraph (c), clause (5)*;

(b) and that portion of class 3a, 3b, and 5 property used exclusively for residential occupancy.

Sec. 14: Minnesota Statutes 1987 Supplement, section 475.61, subdivision 3, is amended to read:

Subd. 3. [IRREVOCABILITY.] Tax levies so made and filed shall be irrevocable, except as provided in this subdivision.

In each year when there is on hand any excess amount in the debt redemption fund of a school district at the time the district makes its property tax levies, the amount of the excess shall be certified by the school board to the commissioner of education who shall compute the reduced tax levy, after adjustment for the homestead credit replacement aid paid pursuant to section 273.1394, the agricultural credit replacement aid paid pursuant to section 273.1395, and the tax base adjustment pursuant to section 273.1396. The commissioner of education shall certify the adjusted reduced tax levy to the county auditor and the auditor shall reduce the tax levy otherwise to be included in the rolls next prepared by the amount certified, unless the school board determines that the excess amount is necessary to ensure the prompt and full payment of the obligations and any call premium on the obligations, or will be used for redemption of the obligations in accordance with their terms. An amount shall be presumed to be excess for a school district in the amount that it, together with the levy required by subdivision 1, will exceed 106 percent of the amount needed to meet when due the principal and interest payments on the obligations due before the second following July 1. This subdivision shall not limit a school board's authority to specify a tax levy in a higher amount if necessary because of anticipated tax delinquency or for cash flow needs to meet the required payments from the debt redemption fund.

If the governing body, including the governing body of a school district, in any year makes an irrevocable appropriation to the debt service fund of moneys actually on hand or if there is on hand any excess amount in the debt service fund, the recording officer may certify to the county auditor the fact and amount thereof and the auditor shall reduce by the amount so certified the amount otherwise to be included in the rolls next thereafter prepared.

Sec. 15. Laws 1987, chapter 268, article 6, section 53, is amended to read:

Sec. 53. [REPEALER.]

Minnesota Statutes 1986, sections ~~13.58~~; 124.2131, subdivision 4; 124.2137; ~~124.2139~~; 124A.031, subdivision 4; 273.112, subdivision 9; 273.115; 273.116; 273.13, subdivisions 26, 27, 28, and 29; 273.1311; ~~273.1315~~; 273.135, subdivision 5; and 273.1391, subdivision 4, are repealed.

Sec. 16. [EFFECTIVE DATE.]

Sections 1 to 8 and 13 to 15 are effective for taxes levied in 1988, payable in 1989, and thereafter. Section 9 is effective for taxable years

beginning after December 31, 1986. Section 11 is effective for sales after May 31, 1987. Section 12 is effective June 12, 1987.

ARTICLE 17

ROBBINSDALE SPECIAL SERVICE DISTRICT

Section 1. [CITY OF ROBBINSDALE SPECIAL SERVICE DISTRICT; DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] For purposes of sections 1 to 10, the terms in this section have the meanings given them.

Subd. 2. [CITY.] "City" means the city of Robbinsdale.

Subd. 3. [SPECIAL SERVICES.] "Special services" means all services rendered or contracted for by the city, including, but not limited to:

(a) the repair, maintenance, operation, and construction of any improvements authorized by section 429.021;

(b) parking services rendered or contracted for by the city; and

(c) any other service provided to the public by the city that is authorized by law or charter.

Special services do not include a service that is ordinarily provided throughout the city from general fund revenues of the city unless an increased level of the service is provided in the special service district.

Subd. 4. [SPECIAL SERVICE DISTRICT.] "Special service district" means a defined area within the city where special services are rendered and the costs of the special services are paid from revenues collected from service charges imposed within that area.

Subd. 5. [ASSESSED VALUE.] "Assessed value" means the assessed value most recently certified by the county auditor before the effective date of the ordinance or resolution adopted under section 2 or 3.

Subd. 6. [LAND AREA.] "Land area" means the land area in the district that is subject to property taxes.

Sec. 2. [ESTABLISHMENT OF SPECIAL SERVICE DISTRICT.]

Subdivision 1. [ORDINANCE.] The governing body of the city may adopt an ordinance establishing a special service district. Only property which is classified under section 273.13 and used for commercial, industrial, or public utility purposes, or is vacant land zoned or designated on a land use plan for commercial or industrial use and located in the special service district, may be subject to the levies and charges imposed by the city on the special service district. Other types of property may be included within the boundaries of the special service district but are not subject to the levies or charges imposed by the city on the special service district. If 50 percent or more of the market value of a parcel of property is classified under section 273.13 as commercial, industrial, or vacant land zoned or designated on a land use plan for commercial or industrial use, or public utility for the current assessment year, then the entire market value of the property is subject to a service charge based on assessed value for purposes of sections 1 to 10. The ordinance shall describe with particularity the area within the city to be included in the district and the special services to be furnished in the district. The ordinance may not be adopted until after a public hearing has been held on the question. Notice of the hearing

shall include the time and place of hearing, a map showing the boundaries of the proposed district, and a statement that all persons owning property in the proposed district will be given opportunity to be heard at the hearing.

Subd. 2. [NOTICE.] Notice of the hearing must be given by publication in at least two issues of the official newspaper of the city. The two publications must be two weeks apart and the hearing must be held at least three days after the last publication. Not less than ten days before the hearing, notice must also be mailed to the owner of each parcel within the area proposed to be included in the district. For the purpose of giving mailed notice, owners are those shown on the records of the county auditor. Other records may be used to supply the necessary information. For properties that are tax exempt or subject to taxation on a gross earnings basis in lieu of property tax and are not listed on the records of the county auditor, the owners must be ascertained by any practicable means and mailed notice given them. At the public hearing a person affected by the proposed district may be heard orally in respect to any issues relevant to the proposed district. The hearing may be adjourned from time to time and the ordinance establishing the district may be adopted at any time within six months after the date of the conclusion of the hearing by a vote of the majority of the governing body of the city.

Sec. 3. [SERVICE CHARGE AUTHORITY; NOTICE AND HEARING REQUIREMENTS.]

Subdivision 1. [HEARING.] Service charges may be imposed by the city within the special service district at a rate or amount sufficient to produce the revenues required to provide special services in the district. To determine the appropriate mill rate for a service charge based on assessed value, taxable property or value must be determined without regard to captured or original assessed value under section 469.177. Service charges may not be imposed to finance a special service if the service is ordinarily provided by the city from its general fund revenues unless the service is provided in the district at an increased level. In that case, only an amount to pay for the increased level may be imposed. A service charge may not be imposed on the receipts from the sale of intoxicating liquor, food, or lodging. Before the imposition of service charges in a district, for each calendar year, notice must be given and a hearing must be held under section 2 and notice must also be mailed to any individual or business organization subject to a service charge. For purposes of this section the notice shall also include:

(1) a statement that all interested persons will be given an opportunity to be heard at the hearing regarding a proposed service charge;

(2) the estimated cost of improvements to be paid for in whole or in part by service charges imposed under this section, the estimated cost of operating and maintaining the improvements during the first year and completion of the improvements, the proposed method and source of financing the improvements, and the annual cost of operating and maintaining the improvements;

(3) the proposed rate or amount of the proposed service charge to be imposed in the district during the calendar year and the nature and character of special services to be rendered in the district during the calendar year; and

(4) a statement that the petition requirements of section 8 have either

been met or do not apply to the proposed service charge.

Within six months of the public hearing, the city may adopt a resolution imposing a service charge within the district not exceeding the amount or rate expressed in the notice issued under this section.

Subd. 2. [EXEMPTION OF CERTAIN PROPERTIES FROM TAXES AND SERVICE CHARGES.] *Property exempt from taxation by section 272.02 is exempt from any service charges imposed under sections 1 to 10.*

Subd. 3. [LEVY LIMIT.] *Service charges imposed under sections 1 to 10 are not included in the calculation of levies or limits on levies imposed under law or charter.*

Sec. 4. [ENLARGEMENT OF SPECIAL SERVICE DISTRICTS.]

Boundaries of a special service district may be enlarged only after hearing and notice as provided in sections 2 and 3. Notice must be served in the original district and in the area proposed to be added to the district. Taxable property added to the district is subject to all service charges imposed within the district after the property becomes a part of the district. The petition requirement in section 8 and the veto power in section 9 apply only to owners, individuals, and business organizations in the area proposed to be added to the district.

Sec. 5. [COLLECTION OF SERVICE CHARGES.] *Service charges may be imposed on the basis of the assessed value of the property on which the service charge is imposed, but must be spread only upon the assessed value of the taxable property described in the ordinance. Service charges based on assessed value may be payable and collected at the same time and in the same manner as provided for payment and collection of ad valorem taxes. Other service charges imposed must be collected as provided by ordinance. Service charges based on assessed value collected under sections 1 to 10 are not included in computations under section 469.177 or any other law that applies to general ad valorem levies.*

Sec. 6. [BONDS.]

At any time after a contract for the construction of all or part of an improvement authorized under this act has been entered into or the work has been ordered done by day labor, the governing body of the city may issue obligations in the amount it deems necessary to defray in whole or in part the expense incurred and estimated to be incurred in making the improvement, including every item of cost from inception to completion and all fees and expenses incurred in connection with the improvement or the financing. The obligations are payable primarily out of the proceeds of the service charge based on assessed value imposed under section 3, or from any other special assessments or nontax revenues available to be pledged for their payment under charter or statutory authority, or from two or more of those sources. The governing body may, by resolution adopted prior to the sale of obligations, pledge the full faith, credit, and taxing power of the city to assure payment of the principal and interest if the proceeds of the service charge in the district are insufficient to pay the principal and interest. The obligations must be issued in accordance with chapter 475, except that an election is not required, and the amount of the obligations need not be included in determining the net debt of the city under the provisions of any law or charter limiting debt.

Sec. 7. [ADVISORY BOARD.]

The governing body of the city may create and appoint an advisory board for each special service district in the city to advise the governing body in connection with the construction, maintenance, and operation of improvements, and the furnishing of special services in a district. The advisory board shall make recommendations to the governing body on the requests and complaints of owners, occupants, and users of property within the district and members of the public. Before the adoption of any proposal by the governing body to provide services or impose service charges within the district, the advisory board of the district shall have an opportunity to review and comment upon the proposal.

Sec. 8. [PETITION REQUIRED.]

No action may be taken under section 2 unless owners of 25 percent or more of the land area of the proposed special service district and owners of 25 percent or more of the assessed value of the proposed special service district file a petition requesting a public hearing on the proposed action with the city clerk. No action may be taken under section 3 to impose a service charge based on assessed value unless owners of 25 percent or more of the land area subject to a proposed service charge and owners of 25 percent or more of the assessed value subject to a proposed service charge file a petition requesting a public hearing on the proposed action with the city clerk. No action may be taken under section 3 to impose any other type of service charge unless 25 percent or more of the individual or business organizations subject to the proposed service charge file a petition requesting a public hearing on the proposed action with the city clerk. If the boundaries of a proposed district are changed or the land area or assessed value subject to a service charge or the individuals or business organizations subject to a service charge are changed after the public hearing, a petition meeting the requirements of this section must be filed with the city clerk before the ordinance establishing the district or resolution imposing the service charge may become effective.

Sec. 9. [VETO POWER OF OWNERS.]

Subdivision 1. [NOTICE OF RIGHT TO FILE OBJECTIONS.] Except as provided in section 10, the effective date of any ordinance or resolution adopted under sections 2 and 3 must be at least 45 days after it is adopted. Within five days after adoption of the ordinance or resolution, a summary of the ordinance or resolution must be mailed to the owner of each parcel included in the special service district and any individual or business organization subject to a service charge in the same manner that notice is mailed under section 2. The mailing must include a notice that owners subject to a service charge based on assessed value and individuals and business organizations subject to a service charge have a right to veto the ordinance or resolution by filing the required number of objections with the city clerk before the effective date of the ordinance or resolution and that a copy of the ordinance or resolution is on file with the city clerk for public inspection.

Subd. 2. [REQUIREMENTS FOR VETO.] If owners of 50 percent or more of the land area in the district subject to the service charge based on assessed value and owners of 50 percent or more of the assessed value in the district subject to the service charge based on assessed value file an objection to the ordinance adopted by the city under section 2 with the city clerk before the effective date of the ordinance, the ordinance does

not become effective. If owners of 50 percent or more of the land area subject to the service charge based on assessed value and owners of 50 percent or more of the assessed value subject to the service charge based on assessed value file an objection to the resolution adopted imposing a service charge based on assessed value under section 3 with the city clerk before the effective date of the resolution, the resolution does not become effective. If 50 percent or more of individuals and business organizations subject to a service charge file an objection to the resolution adopted imposing a service charge under section 3 with the city clerk before the effective date of the resolution, the resolution does not become effective.

Sec. 10. [EXCLUSION FROM PETITION REQUIREMENTS AND VETO POWER.]

The petition requirements of section 8 and the right of owners and those subject to a service charge to veto a resolution in section 9 do not apply to second or subsequent years' applications of a service charge that is authorized to be in effect for more than one year under a resolution that has met the petition requirements of section 8 and which has not been vetoed under section 9 for the first year's application. A resolution imposing a service charge for more than one year must not be adopted unless the notice of public hearing required by section 3 and the notice mailed with the adopted resolution under section 9 include the following information:

(1) in the case of improvements, the maximum service charge to be imposed in any year and the maximum number of years the service charges imposed to pay for the improvement; and

(2) in the case of operating and maintenance services, the maximum service charge to be imposed in any year and the maximum number of years, or a statement that the service charge will be imposed for an indefinite number of years, the service charges imposed to pay for operation and maintenance services.

The resolution may provide that the maximum service charge to be imposed in any year will increase or decrease from the maximum amount authorized in the preceding year based on an indicator of increased cost or a percentage amount established by the resolution.

ARTICLE 18

MINNEAPOLIS NEIGHBORHOODS SPECIAL SERVICE DISTRICTS

Section 1. [DEFINITIONS.]

Subdivision 1. [TERMS DEFINED.] For the purposes of this article, the terms defined in this section have the meanings given.

Subd. 2. [CITY.] "City" means the city of Minneapolis.

Subd. 3. [SPECIAL SERVICES.] "Special services" means the following services rendered or contracted for by the city:

(1) snow and ice removal;

(2) sweeping and cleaning sidewalks, curbs, gutters, streets, and alleys;

(3) litter, poster, and handbill removal;

(4) construction, repair, operation, and maintenance of sidewalks, curbs, gutters, bus shelters, lighting, benches, chairs, tables, telephone booths, traffic signs, fire hydrants, newsstands, kiosks, trash receptacles, utility

connections, marquees, awnings, canopies, display cases, information booths, and banners;

(5) landscaping, planting, repair, maintenance, and care of trees, shrubs, bushes, flowers, grass, and other decorative materials;

(6) security personnel, equipment, and systems;

(7) approval and supervision of special activities;

(8) insurance; and

(9) administration, coordination, studies, and preparation of designs.

Special services do not include a service that is ordinarily provided throughout the city from general fund revenues of the city unless an increased level of the service is provided in the special service district.

Special service district funds may be used to pay operating costs of a neighborhood business association composed of a majority of owners or operators of businesses located within the district.

Subd. 4. [SPECIAL SERVICE DISTRICT.] "Special service district" or "district" means a defined area within the city where special services are rendered and their cost is paid from revenues collected from service charges imposed within that area.

Subd. 5. [ASSESSED VALUE.] "Assessed value" means the assessed value most recently certified by the county auditor before the effective date of an ordinance or resolution adopted under section 2 or 3.

Sec. 2. [ESTABLISHMENT OF SPECIAL SERVICE DISTRICT.]

Subdivision 1. [ORDINANCE.] Upon receiving a petition from 25 percent or more of the owners of commercial property in an area, the governing body of the city may adopt an ordinance establishing a special service district in any area zoned for commercial, business, or industrial use outside of the area bounded by the Mississippi river and the centerlines of 10th Avenue South, Washington Avenue South, Chicago Avenue South, South 3rd Street, 11th Avenue South, South 6th Street, 5th Avenue South, South 12th Street, 4th Avenue South, East 16th Street, Marquette Avenue South, Grant Street, Willow Street, Harmon Place, Interstate Highway 94, Highway 12, North 12th Street, and 3rd Avenue North; and, south of 28th Street, west of Fremont Avenue South, north of 31st Street, and east of Humboldt Avenue South; and outside any other existing special service district. Only property that is used for commercial, business, or industrial purposes and located in the district may be subject to the charges imposed by the city on the district. Other types of property in the district and property or a portion of a property located within the district and used for residential purposes may receive services but are not subject to the charges imposed by the city on the district. The ordinance shall describe with particularity the area to be included in the district and the special services to be furnished in the district. The ordinance may be adopted only after a public hearing has been held on the question. Notice of the hearing shall include:

(1) the time and place of the hearing;

(2) the boundaries of the area by legal description and by street location where possible; and

(3) a statement that all persons owning property in the proposed district

will be given the opportunity to be heard at the hearing.

Subd. 2. [NOTICE; HEARING.] Notice of the hearing shall be given by publication in two issues of the official newspaper of the city. The two publications shall be a week apart and the hearing shall be held at least three days after the last publication.

Not less than ten days before the hearing, notice shall also be mailed to the owner and property taxpayer of each parcel within the area proposed to be included in the district. For the purpose of giving mailed notice, owners shall be those shown on the records of the county auditor. For properties that are tax exempt or subject to taxation on a gross earnings basis in lieu of property tax and not listed on the records of the county auditor or the county treasurer, the owners shall be ascertained by any practicable means and mailed notice given them. Other records may be used to supply necessary information.

At the public hearing, any person affected by the proposed district may be heard orally in respect to any issues embodied in the notice. The hearing may be adjourned from time to time. The ordinance establishing the district may be adopted at any time within six months after the date of the conclusion of the hearing by a vote of the majority of the governing body of the city.

Subd. 3. [USE OF CITY EMPLOYEES.] If the city determines that any of the special services to be provided are under the jurisdiction of a city public employee bargaining unit, the city shall negotiate with that unit to determine whether that service shall be provided by the city or contracted for with another service provider.

Sec. 3. [RATE OF SERVICE CHARGE; NOTICE AND HEARING REQUIREMENTS.]

Subdivision 1. [HEARING.] Service charges may be imposed by the city within the special service district at a rate or amount sufficient to produce revenues required to provide special services within the district. For purposes of determining the appropriate mill rate for a service charge based on assessed value, taxable property or value shall be determined without regard to captured or original assessed value under section 469.177 or to the distribution or contribution value under section 473F08. Service charges shall not be imposed to finance a special service if the service is ordinarily provided by the city from general fund revenues of the city unless the service is provided in the district at an increased level, in which case, a service charge may be imposed only to pay the amount for the increased level of service. A service charge shall not be imposed on the receipts from the sale of intoxicating liquor, food, or lodging. Each calendar year, before the imposition of service charges in a district, notice shall be given and a hearing held as provided by section 2. Notice shall also be mailed to any individual or business organization subject to a service charge. For purposes of this section, the notice shall also include:

(1) a statement that all interested persons will be given an opportunity to be heard at the hearing; and

(2) the proposed rate or amount of the proposed service charge to be imposed in the district during the calendar year and the estimated cost, nature, and character of special services to be rendered in the district during the calendar year.

Within six months of the public hearing, the city may by resolution impose a service charge within the district not exceeding the amount or rate expressed in the notice issued under this section.

Subd. 2. [EXEMPTION OF CERTAIN PROPERTIES FROM TAXES.] *Property exempted from taxation by Minnesota Statutes, section 272.02, is exempt from any service charge based on assessed value imposed under this article.*

Subd. 3. [SERVICE CHARGE ABATEMENT.] *An individual or business organization subject to the service charge imposed under subdivision 1 may apply to the city for a service charge abatement for that calendar year on the basis of economic hardship. The city may grant the abatement of the service charge for the calendar year if the city determines that an economic hardship exists.*

Sec. 4. [ENLARGEMENT OF SPECIAL SERVICE DISTRICTS.]

Boundaries of a special service district may be enlarged only after hearing and notice as provided by sections 2 and 3. Notice shall be served in the original district and in the area proposed to be added. Property added to the district shall be subject to all service charges imposed within the district after the property becomes a part of the district. On the question of enlargement, the veto power provided by section 10 may be exercised only by owners and individuals and business organizations in the area proposed to be added to the district.

Sec. 5. [COLLECTION OF SERVICE CHARGES]. *Service charges may be imposed on the basis of the assessed value of the property on which the service charge is imposed, but must only be imposed on the property described in the ordinance. Service charges based on assessed value may be payable and collected at the same time and in the same manner as provided for payment and collection of ad valorem taxes. Other service charges imposed shall be collected as provided by the ordinance. Service charges based on assessed value imposed under this article are not subject to the provisions of Minnesota Statutes, section 469.177 and chapter 473F.*

Sec. 6. [BONDS.]

At any time after a contract for all or part of an improvement authorized pursuant to this article has been entered into or the work has been ordered done by day labor, the governing body may issue obligations in the amount it deems necessary to defray in whole or in part the expense incurred or estimated to be incurred in making the improvement, including every item of cost from the inception to completion and all fees and expenses incurred in connection with the improvement or its financing. The obligations shall be payable primarily out of the proceeds of the service charge imposed under section 3. The governing body may, by resolution adopted before the sale of obligations, pledge the full faith, credit, and taxing power of the city to assure payment of the principal and interest if the proceeds of the service charge based on assessed value in the special service district are insufficient to pay the principal and interest. Obligations shall be issued in accordance with Minnesota Statutes, chapter 475, except that an election shall not be required and the amount of the obligation shall not be included in determining the net debt of the city under any provision of law or charter that limits debt.

Sec. 7. [LEVY LIMIT.]

Service charges imposed under this article shall be disregarded in the calculation of levies or limits on levies imposed under law or charter.

Sec. 8. [EXPIRATION.]

A special service district established under this article shall expire four years after the date of its establishment unless renewed as provided by section 2. After the expiration or termination of a district, service charges may continue to be imposed in the district to pay the costs of an improvement specified in section 1, subdivision 3, clause (4).

Sec. 9. [ADVISORY BOARD.]

The city council shall create and appoint an advisory board for the special service district to advise the governing body in connection with the furnishing of special services in the district. The advisory board shall make recommendations to the governing body on the requests and complaints of owners, occupants, and users of property within the district and members of the public. Before adoption of any proposal by the governing body to provide services or impose service charges within the district, the advisory board shall have an opportunity to review and comment upon the proposal. All members of the advisory board shall be property owners, tenants, or residents of the district.

Sec. 10. [VETO POWER OF OWNERS.]

Subdivision 1. An ordinance or resolution adopted pursuant to sections 2 and 3 shall take effect no sooner than 45 days after it is adopted. Within five days after its adoption, a copy shall be mailed to the owner and property taxpayer of each parcel included in the special service district and any individual or business organization subject to a service charge in the same manner as notice is mailed under section 2. The mailing shall include a notice that owners subject to a service charge based on assessed value and individuals and business organizations subject to a service charge have a right to veto the ordinance or resolution by filing the required number of objections with the city clerk before the effective date of the ordinance or resolution.

Subd. 2. If owners of at least 35 percent of the land area and owners of at least 35 percent of the assessed value in the district file an objection to the ordinance or resolution adopted by the city pursuant to section 2 with the city clerk before its effective date, the ordinance or resolution shall not take effect. If owners of at least 35 percent of the land area subject to a service charge based on assessed value and owners of at least 35 percent of the assessed value subject to a service charge file an objection to an ordinance or resolution adopted by the city imposing a service charge based on assessed value pursuant to section 3 with the city clerk before its effective date, the ordinance or resolution shall not take effect. If owners of at least 35 percent of the land area subject to a service charge and owners of at least 35 percent of the assessed value in the district subject to a service charge file an objection to the resolution adopted by the city imposing a service charge pursuant to section 3 with the city clerk before its effective date, the resolution shall not take effect.

Sec. 11. [EXCLUSION FROM VETO POWER.]

The right of owners and those subject to a service charge to veto an ordinance or resolution as provided by section 10 does not apply to second or subsequent years' applications of a service charge that is authorized

to be in effect for more than one year. An ordinance or resolution imposing a service charge for more than one year shall not be adopted unless the notice of public hearing required by section 2 and the notice mailed with the adopted ordinance or resolution pursuant to section 10 includes the following information:

(a) In the case of an improvement, the maximum service charge to be imposed in any year and the maximum number of years that the service charges imposed to pay for the improvement.

(b) In the case of operating and maintenance services, the maximum service charge to be imposed in any year and the maximum number of years that the service charges imposed to pay for the operation and maintenance services, or a statement that the service charge will be imposed for an indefinite number of years.

The ordinance or resolution may provide that the maximum service charge to be imposed in any year will increase or decrease from the maximum amount authorized in the preceding year based on an indicator of increased cost or a percentage amount established by resolution.

Sec. 12. [LOCAL APPROVAL.]

This article takes effect the day after the governing body of the city of Minneapolis complies with Minnesota Statutes, section 645.021, subdivision 3.

ARTICLE 19

MINNEAPOLIS DOWNTOWN SPECIAL SERVICE DISTRICTS

Section 1. [DEFINITIONS.]

Subdivision 1. [TERMS DEFINED.] For purposes of sections 1 to 10, the terms in this section have the meanings given them.

Subd. 2. [CITY.] "City" means the city of Minneapolis.

Subd. 3. [PEDESTRIAN MALL.] "Pedestrian mall" means an improvement designed and used primarily for the movement, safety, convenience, and enjoyment of pedestrians, whether or not a part of a street is set apart for a roadway for emergency vehicles, transit vehicles, or private vehicles at some or all times. A pedestrian mall includes related sidewalks, moving sidewalks, curbs, gutters, streets, parks, playgrounds, plazas, recreational facilities, performance areas, bus shelters, transit facilities and vehicles, sound and video systems, overhead and underground radiant heating devices, lighting, benches, chairs, tables, sculpture, telephone booths, traffic signs, fire hydrants, newsstands, kiosks, trash receptacles, utility connections, marquees, awnings, canopies, walls, bollards, chains, paintings, murals, alleys, display cases, fountains, sprinkler systems, restrooms, information booths, aquariums, aviaries, pedestrian tunnels, banners, pedestrian bridges, pedestrian ramps, pedestrian overpasses, pedestrian underpasses, drainage, sewers, and water mains. A pedestrian mall does not include a plaza adjacent to a convention center.

Subd. 4. [SPECIAL SERVICES.] "Special services" means the following services rendered or contracted for by the city:

(a) snow and ice removal;

(b) sweeping and cleaning of sidewalks, curbs, gutters, streets, and alleys;

- (c) litter, poster, and handbill removal;
- (d) construction, repair, operation, and maintenance of pedestrian malls;
- (e) repair and maintenance of capital improvements constructed with funds other than special service district proceeds;
- (f) landscaping, planting, repair, maintenance, and care of trees, shrubs, bushes, flowers, grass, and other decorative materials;
- (g) security personnel, equipment, and systems and coordination of private security, including lighting;
- (h) operation of public transit;
- (i) information and signs relating to parking and vehicle and pedestrian movement at street and skyway levels;
- (j) approval, supervision, and coordination of special activities; and
- (k) administration, coordination, studies, and preparation of designs.

Special services do not include a service that is ordinarily provided throughout the city from general fund revenues of the city unless an increased level of the service is provided in the special service district.

Subd. 5. [SPECIAL SERVICE DISTRICT.] "Special service district" means a defined area within the city where special services are provided or contracted for and the costs of the special services are paid from revenues collected from service charges imposed within that area.

Subd. 6. [ASSESSED VALUE.] "Assessed value" means the assessed value most recently certified by the county auditor before the effective date of an ordinance or resolution adopted under section 2 or 3.

Sec. 2. [ESTABLISHMENT OF SPECIAL SERVICE DISTRICT.]

Subdivision 1. [ORDINANCE.] The governing body of the city may adopt an ordinance establishing special service districts in that part of the city bounded by the centerlines of the Mississippi River, 10th Avenue South, Washington Avenue South, Chicago Avenue South, South 3rd Street, 11th Avenue South, South 6th Street, 5th Avenue South, South 12th Street, 4th Avenue South, East 16th Street, Marquette Avenue South, Grant Street, Willow Street, Harmon Place, Interstate Highway 94, Highway 12, North 12th Street and 3rd Avenue North. Only property that is zoned for commercial, business, or industrial purposes or classified as public utility or vacant land and located in the special service district may be subject to the charges imposed by the city on the special service district. The ordinance must specifically describe the area within the city to be included in the district and the special services to be furnished in the district. The ordinance must state the reasons for establishment of a district. The ordinance may not be adopted until after a public hearing has been held on the question.

Subd. 2. [CONTRACTORS.] Notwithstanding any other provision of law or charter to the contrary, the city may provide or contract for services in the district. All hiring by contractors must be done in accordance with the Federal Civil Rights Act of 1964, United States Code, title 21, sections 2000e to 2000e-17; Minnesota Statutes, section 363.03; and the Minneapolis Code of Ordinances, chapters 139 and 141.

Subd. 3. [CITY EMPLOYEES.] Job activities for special services that are under the jurisdiction of any city public employee bargaining unit must be performed by a member of the bargaining unit.

Subd. 4. [NOTICE.] Notice of the hearing must be given by publication in two issues of the official newspaper of the city. Notice of the hearing shall include the time and place of hearing, a map showing the boundaries of the proposed district, and a statement that all persons owning property in the proposed district will be given opportunity to be heard at the hearing. The two publications must be a week apart and the hearing must be held at least three days after the last publication. Not less than ten days before the hearing, notice must also be mailed to the owner of each parcel within the area proposed to be included in the district and subject to service charges. For the purpose of giving mailed notice, owners are those shown on the records of the county auditor. Other records may be used to supply the necessary information. For properties that are tax exempt or subject to taxation on a gross earnings basis in lieu of property tax and that are not listed on the records of the county auditor, the owners must be ascertained by any practicable means and mailed notice given them.

Subd. 5. [PETITION; HEARING.] A public hearing may not be held on the establishment of a special service district under section 2 unless owners of at least 15 percent of the land area of the proposed district and the owners of at least 15 percent of the assessed value of the district file a petition with the city clerk requesting the hearing. At the public hearing a person affected by the proposed district may be heard orally in respect to any issues relevant to the proposed district. The hearing may be adjourned from time to time and the ordinance establishing the district may be adopted at any time within six months after the date of the conclusion of the hearing by a vote of the majority of the governing body of the city.

Subd. 6. [LEVEL OF SERVICE.] The governing body of the city shall not transfer the financial burden of citywide services to the district nor discriminate against the district in reductions and increases in citywide services because of the existence of the district. Prior to establishment of a district, the city and the downtown management board, provided in section 8, shall meet to review the level of services in the downtown area in order to assure that downtown is equitably served through the city's normal operating budget. They shall meet each succeeding year prior to the adoption of a budget for the district and prior to imposition of a service charge in the district under section 3.

Sec. 3. [SERVICE CHARGE; NOTICE AND HEARING REQUIREMENTS.]

Subdivision 1. [SERVICE CHARGES.] Service charges may be imposed by the city within the special service district at a rate or amount sufficient to produce the revenues required to provide special services in the district. Service charges must be reasonably related to the special services provided. To determine the appropriate mill rate for a service charge based on assessed value, taxable property value must be determined without regard to captured or original assessed value under Minnesota Statutes, section 469.177, or to the distribution or contribution value under Minnesota Statutes, section 473F.08.

Subd. 2. [HEARING; NOTICE.] Before the imposition of service charges in a district, for each calendar year, notice must be given and a hearing must be held under section 2, and notice must also be mailed to any

individual or business organization subject to a service charge. For purposes of this section, the notice shall also include:

(a) a statement that all interested persons will be given an opportunity to be heard at the hearing regarding a proposed service charge;

(b) the estimated cost of improvements to be paid for in whole or in part by service charges imposed under this section, the estimated cost of operating and maintaining the improvements during the first year after completion of the improvements, the proposed method and source of financing the improvements, and the annual cost of operating and maintaining the improvements; and

(c) the nature and character of special services to be provided in the district during the calendar year and the proposed service charge to be imposed in the district during the calendar year.

Subd. 3. [ADOPTION OF RESOLUTION.] Within six months of the public hearing, the city may adopt a resolution imposing a service charge within the district not exceeding the amount or rate expressed in the notice issued under this section. The resolution must describe the basis on which a service charge was determined.

Subd. 4. [EXEMPTION OF CERTAIN PROPERTIES.] In addition to the exemptions from service charges under section 2, subdivision 1, property exempt from taxation by Minnesota Statutes, section 272.02, is exempt from any service charges based on assessed value imposed under sections 1 to 9.

Subd. 5. [LEVY LIMIT.] Service charges imposed under sections 1 to 9 are not included in the calculation of levies or limits on levies imposed under law or charter.

Sec. 4. [LIMITATIONS.]

Subdivision 1. [SERVICES EXPENDITURES CAP] Service charges imposed in the special services district in any year for special services specified in section 1, subdivision 4, with the exception of construction under clause (d), must not exceed an amount equal to the funds raised by a levy of three mills on current assessed value in the district under property tax classifications in effect on July 1, 1987.

Subd. 2. [CAPITAL EXPENDITURES CAP] service charges imposed in the special services district in any year for construction of an improvement specified in section 1, subdivision 4, clause (d), must not exceed 50 percent of the total costs of the improvement, including interest, payable in that year. At least 20 percent of the total costs of the project must be specially assessed against benefitted property pursuant to Minnesota Statutes, chapter 429 or 430.

Subd. 3. [VETO OF ESTABLISHMENT.] The effective date of any establishment of a special service district under section 2 must be at least 45 days after it is adopted. Within five days after adoption, a summary of the city council action must be mailed to the owner of each parcel included in the special service district in the same manner that notice is mailed under section 2. The mailing must include a notice that owners have a right to veto the action by filing the required number of objections with the city clerk before the effective date of establishment and that a copy of the action is on file with the city clerk for public inspection. If owners of at least 35 percent of the land area included in the special service district

or owners of at least 35 percent of the assessed value in the district file an objection to the establishment under section 2 with the city clerk before the effective date, the establishment does not become effective. In the event of a veto, no district shall be established during the current city fiscal year and until a petition meeting the qualifications set forth in this subdivision for a veto has been filed.

Subd. 4. [VETO OF PEDESTRIAN MALLS.] The effective date of any tax levy or imposition of service charge for construction of an improvement specified in section 1, subdivision 4, clause (d), under section 3 must be at least 45 days after it is adopted. Within five days after adoption, a summary of the city council action must be mailed to the owner of each parcel included in the special service district and any individual or business organization subject to a service charge in the same manner that notice is mailed under section 2. The mailing must include a notice that owners subject to a service charge based on assessed value and individuals and business organizations subject to a service charge have a right to veto the action by filing the required number of objections with the city clerk before the effective date of the levy or imposition and that a copy of the action is on file with the city clerk for public inspection. If owners of at least 35 percent of the land area subject to a service charge based on assessed value or owners of at least 35 percent of the assessed value subject to the service charge based on assessed value file an objection to the tax levy with the city clerk before the effective date, the service charge based on assessed value does not become effective. If individuals and business organizations subject to at least 35 percent of a service charge file an objection to imposition of the service charge with the city clerk before the effective date, the service charge does not become effective. In the event of a veto, no service charge imposed in the district for a pedestrian mall during the current city fiscal year and until a petition meeting the qualifications set forth in this subdivision for a veto has been filed. Service charges may continue to be levied and imposed in the district, regardless of a veto under this subdivision, to pay the costs of construction of an improvement specified in section 1, subdivision 4, clause (d), for which debt has been incurred and a service charge imposed during a prior year.

Subd. 5. [VETO OF SERVICES.] Each year after the fourth year after establishment of a district, the veto provisions of this subdivision apply, except that a veto is not effective until the year following the year of the veto. Four years after establishment of a district, the effective date of any imposition of service charge under section 3 for services specified in section 1, subdivision 4, with the exception of construction under clause (d), must be at least 45 days after it is adopted. Within five days after adoption, a summary of the city council action must be mailed to the owner of each parcel included in the special service district and any individual or business organization subject to a service charge, in the same manner that notice is mailed under section 2. The mailing must include a notice that owners subject to a service charge based on assessed value and individuals and business organizations subject to a service charge have a right to veto the action by filing the required number of objections with the city clerk before the effective date of the imposition, and that a copy of the action is on file with the city clerk for public inspection. If owners of at least 35 percent of the land area subject to a service charge based on assessed value or the owners of at least 35 percent of the assessed value subject to the service charge based on assessed value file an objection to the service charge for services under section 3 with the city clerk before

the effective date, the service charge based on assessed value does not become effective. If individuals and business organizations, subject to at least 35 percent of a service charge file an objection to imposition of the service charge under section 3 with the city clerk before the effective date, the service charge does not become effective. In the event of a veto, no service charge imposed in the district for services during the current city fiscal year and until a petition meeting the qualifications set forth in this subdivision for a veto has been filed. Service charges may continue to be imposed in the district, regardless of a veto under this subdivision, to pay the costs of services specified in section 1, subdivision 4, with the exception of construction under clause (d), for which debt has been incurred prior to the filing of a veto.

Sec. 5. [ENLARGEMENT OF SPECIAL SERVICE DISTRICTS.]

Boundaries of a special service district may be enlarged or reduced only after petition, hearing, and notice requirements as provided in sections 2 and 3 are met. Notice must be served in the original district and in any area proposed to be added to the district. Property added to the district is subject to all service charges imposed within the district after the property becomes a part of the district. Property removed is not subject to charges imposed after the property is removed.

Sec. 6. [COLLECTION OF SERVICE CHARGES.] *Service charges may be imposed on the basis of the assessed value of the property on which the service charge is imposed, but must be spread only upon the assessed value of the taxable property described in the ordinance. Service charges based on assessed value may be payable and collected at the same time and in the same manner as provided for payment and collection of ad valorem taxes. Other service charges imposed must be collected as provided by ordinance. Service charges based on assessed value collected under sections 1 to 9 are not included in computations under Minnesota Statutes, section 469.177, Minnesota Statutes, chapter 473F, or any other law that applies to general ad valorem levies.*

Sec. 7. [DEBT OBLIGATIONS.]

Subdivision 1. [CERTIFICATES OF INDEBTEDNESS.] *Certificates of indebtedness may be issued for purposes of any work or service authorized pursuant to sections 1 to 9. The certificates shall be payable in not more than five years and be issued on the terms and in the manner determined by the issuer. The obligations are payable out of the proceeds of the tax or charge levied under section 3 in the same way as bonds.*

Subd. 2. [BONDS.] *Obligations may be issued in the amount deemed necessary to defray in whole or in part the expense incurred and estimated to be incurred in making a pedestrian mall improvement authorized under sections 1 to 9, including every item of cost from inception to completion and all fees and expenses incurred in connection with the improvement or the financing. The obligations are payable primarily out of the proceeds of the charge levied under section 3, or from any other special assessments or nontax revenues available to be pledged for their payment under charter or statutory authority, or from two or more of those sources. The full faith, credit, and taxing power of the city may, by resolution adopted prior to the sale of obligations, be pledged to assure payment of the principal and interest if the proceeds of the levy in the district are insufficient to pay the principal and interest.*

Subd. 3. [PROCEDURES.] Debt obligations must be issued in accordance with Minnesota Statutes, chapter 475, and the city charter, except that an election is not required under any circumstances, and the amount of the obligations need not be included in determining the net debt of the city.

Sec. 8. [DOWNTOWN MANAGEMENT BOARD.]

The city council shall create and provide for appointment of a downtown management board for the special service district to advise the governing body in connection with the furnishing of special services in a district. The downtown management board shall make recommendations to the governing body on the requests and complaints of owners, occupants, and users of property within the district and members of the public. Before the adoption of any proposal by the governing body to provide services or impose service charges within the district, the downtown management board of the district shall review and comment upon the proposal. The board may incorporate as a nonprofit corporation under Minnesota Statutes, chapter 317. The board shall have the power to enter into contracts. A majority of members of the board must be property owners or tenants in the district and subject to a service charge. At least one member must be an owner of commercial property.

Sec. 9. [CITY OPTION.]

The city may elect to exercise the powers provided by sections 1 to 8 or the powers provided by general or special law relating to the same subject.

Sec. 10. [EFFECTIVE DATE.]

Sections 1 to 9 are effective the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of the city of Minneapolis.

ARTICLE 20

STATEWIDE SPECIAL SERVICE DISTRICTS

Section 1. [DEFINITIONS.]

Subdivision 1. [TERMS DEFINED.] For the purposes of this article, the terms defined in this section have the meanings given.

Subd. 2. [CITY.] "City" means a home rule or statutory city located in three or more counties having a population over 40,000.

Subd. 3. [SPECIAL SERVICES.] "Special services" means the following services rendered or contracted for by the city:

- (1) snow and ice removal;*
- (2) sweeping and cleaning sidewalks, curbs, gutters, streets, and alleys;*
- (3) litter, poster, and handbill removal;*
- (4) construction, repair, operation, and maintenance of sidewalks, curbs, gutters, bus shelters, lighting, benches, chairs, tables, telephone booths, traffic signs, fire hydrants, newsstands, kiosks, trash receptacles, utility connections, marquees, awnings, canopies, display cases, information booths, and banners;*
- (5) landscaping, planting, repair, maintenance, and care of trees, shrubs,*

bushes, flowers, grass, and other decorative materials;

(6) security personnel, equipment, and systems;

(7) approval and supervision of special activities;

(8) insurance; and

(9) administration, coordination, studies, and preparation of designs.

Special services do not include a service that is ordinarily provided throughout the city from general fund revenues of the city unless an increased level of the service is provided in the special service district.

Special service district funds may be used to pay operating costs of a neighborhood business association composed of a majority of owners or operators of businesses located within the district.

Subd. 4. [SPECIAL SERVICE DISTRICT.] "Special service district" or "district" means a defined area within the city where special services are rendered and their cost is paid from revenues collected from service charges imposed within that area.

Subd. 5. [ASSESSED VALUE.] "Assessed value" means the assessed value most recently certified by the county auditor before the effective date of an ordinance or resolution adopted under section 2 or 3.

Sec. 2. [ESTABLISHMENT OF SPECIAL SERVICE DISTRICT.]

Subdivision 1. [ORDINANCE.] The governing body of the city may adopt an ordinance establishing a special service district in any area of the city. Only property that is used for commercial, business, or industrial purposes or residential property having two or more units, and located in the district may be subject to the charges imposed by the city on the district. Other types of property in the district and property or a portion of a property located within the district and used for residential purposes may receive services but are not subject to the charges imposed by the city on the district. The ordinance shall describe with particularity the area to be included in the district and the special services to be furnished in the district. The ordinance may be adopted only after a public hearing has been held on the question. Notice of the hearing shall include:

(1) the time and place of the hearing;

(2) the boundaries of the area by legal description and by street location where possible; and

(3) a statement that all persons owning property in the proposed district will be given the opportunity to be heard at the hearing.

Subd. 2. [NOTICE; HEARING.] Notice of the hearing shall be given by publication in two issues of the official newspaper of the city. The two publications shall be a week apart and the hearing shall be held at least three days after the last publication.

Not less than ten days before the hearing, notice shall also be mailed to the owner and property taxpayer of each parcel within the area proposed to be included in the district. For the purpose of giving mailed notice, owners shall be those shown on the records of the county auditor. For properties that are tax exempt or subject to taxation on a gross earnings basis in lieu of property tax and not listed on the records of the county auditor or the county treasurer, the owners shall be ascertained by any

practicable means and mailed notice given them. Other records may be used to supply necessary information.

At the public hearing, any person affected by the proposed district may be heard orally in respect to any issues embodied in the notice. The hearing may be adjourned from time to time. The ordinance establishing the district may be adopted at any time within six months after the date of the conclusion of the hearing by a vote of the majority of the governing body of the city.

Subd. 3. [USE OF CITY EMPLOYEES.] If the city determines that any of the special services to be provided are under the jurisdiction of a city public employee bargaining unit, the city shall negotiate with that unit to determine whether that service shall be provided by the city or contracted for with another service provider.

Sec. 3. [RATE OF SERVICE CHARGE; NOTICE AND HEARING REQUIREMENTS.]

Subdivision 1. [HEARING.] Service charges may be imposed by the city within the special service district at a rate or amount sufficient to produce revenues required to provide special services within the district. For purposes of determining the appropriate mill rate for a service charge based on assessed value, taxable property or value shall be determined without regard to captured or original assessed value under section 469.177 or to the distribution or contribution value under section 473F08. Service charges shall not be imposed to finance a special service if the service is ordinarily provided by the city from general fund revenues of the city unless the service is provided in the district at an increased level, in which case a service charge may be imposed only to pay the amount for the increased level of service. A service charge shall not be imposed on the receipts from the sale of intoxicating liquor, food, or lodging. Each calendar year, before the imposition of service charges in a district, notice shall be given and a hearing held as provided by section 2. Notice shall also be mailed to any individual or business organization subject to a service charge. For purposes of this section, the notice shall also include:

(1) a statement that all interested persons will be given an opportunity to be heard at the hearing; and

(2) the proposed rate or amount of the proposed service charge to be imposed in the district during the calendar year and the estimated cost, nature, and character of special services to be rendered in the district during the calendar year.

Within six months of the public hearing, the city may by resolution impose a service charge within the district not exceeding the amount or rate expressed in the notice issued under this section.

Subd. 2. [EXEMPTION OF CERTAIN PROPERTIES FROM TAXES.] Property exempted from taxation by Minnesota Statutes, section 272.02, is exempt from any service charge based on assessed value imposed under this article.

Subd. 3. [SERVICE CHARGE ABATEMENT.] An individual or business organization subject to the service charge imposed under subdivision 1 may apply to the city for a service charge abatement for that calendar year on the basis of economic hardship. The city may grant the abatement of the service charge for the calendar year if the city determines that an

economic hardship exists.

Sec. 4. [ENLARGEMENT OF SPECIAL SERVICE DISTRICTS.]

Boundaries of a special service district may be enlarged only after hearing and notice as provided by sections 2 and 3. Notice shall be served in the original district and in the area proposed to be added. Property added to the district shall be subject to all service charges imposed within the district after the property becomes a part of the district. On the question of enlargement, the veto power provided by section 10 may be exercised only by owners and individuals and business organizations in the area proposed to be added to the district.

Sec. 5. [COLLECTION OF SERVICE CHARGES.] *Service charges may be imposed on the basis of the assessed value of the property on which the service charge is imposed, but must only be imposed on the property described in the ordinance. Service charges based on assessed value may be payable and collected at the same time and in the same manner as provided for payment and collection of ad valorem taxes. Other service charges imposed shall be collected as provided by the ordinance. Service charges based on assessed value imposed under this article are not subject to the provisions of Minnesota Statutes, section 469.177 and chapter 473F.*

Sec. 6. [BONDS.]

At any time after a contract for all or part of an improvement authorized pursuant to this article has been entered into or the work has been ordered done by day labor, the governing body may issue obligations in the amount it deems necessary to defray in whole or in part the expense incurred or estimated to be incurred in making the improvement, including every item of cost from the inception to completion and all fees and expenses incurred in connection with the improvement or its financing. The obligations shall be payable primarily out of the proceeds of the service charge imposed under section 3. The governing body may, by resolution adopted before the sale of obligations, pledge the full faith, credit, and taxing power of the city to assure payment of the principal and interest if the proceeds of the service charge based on assessed value in the special service district are insufficient to pay the principal and interest. Obligations shall be issued in accordance with Minnesota Statutes, chapter 475, except that an election shall not be required and the amount of the obligation shall not be included in determining the net debt of the city under any provision of law or charter that limits debt.

Sec. 7. [LEVY LIMIT.]

Service charges imposed under this article shall be disregarded in the calculation of levies or limits on levies imposed under law or charter.

Sec. 8. [EXPIRATION.]

A special service district established under this article shall expire four years after the date of its establishment unless renewed as provided by section 2. After the expiration or termination of a district, service charges may continue to be imposed in the district to pay the costs of an improvement specified in section 1, subdivision 3, clause (4).

Sec. 9. [ADVISORY BOARD.]

The city council shall create and appoint an advisory board for the special service district to advise the governing body in connection with

the furnishing of special services in the district. The advisory board shall make recommendations to the governing body on the requests and complaints of owners, occupants, and users of property within the district and members of the public. Before adoption of any proposal by the governing body to provide services or impose service charges within the district, the advisory board shall have an opportunity to review and comment upon the proposal. All members of the advisory board shall be property owners, tenants, or residents of the district.

Sec. 10. [VETO POWER OF OWNERS.]

Subdivision 1. An ordinance or resolution adopted pursuant to sections 2 and 3 shall take effect no sooner than 45 days after it is adopted. Within five days after its adoption, a copy shall be mailed to the owner and property taxpayer of each parcel included in the special service district and any individual or business organization subject to a service charge, in the same manner as notice is mailed under section 2. The mailing shall include a notice that owners subject to a service charge based on assessed value and individuals and business organizations subject to a service charge have a right to veto the ordinance or resolution by filing the required number of objections with the city clerk before the effective date of the ordinance or resolution.

Subd. 2. If owners of at least 35 percent of the land area and owners of at least 35 percent of the assessed value in the district file an objection to the ordinance or resolution adopted by the city pursuant to section 2 with the city clerk before its effective date, the ordinance or resolution shall not take effect. If owners of at least 35 percent of the land area subject to a service charge based on assessed value and owners of at least 35 percent of the assessed value subject to a service charge file an objection to an ordinance or resolution adopted by the city imposing a service charge based on assessed value pursuant to section 3 with the city clerk before its effective date, the ordinance or resolution shall not take effect. If owners of at least 35 percent of the land area subject to a service charge and owners of at least 35 percent of the assessed value in the district subject to a service charge file an objection to the resolution adopted by the city imposing a service charge pursuant to section 3 with the city clerk before its effective date, the resolution shall not take effect.

Sec. 11. [EXCLUSION FROM VETO POWER.]

The right of owners and those subject to a service charge to veto an ordinance or resolution as provided by section 10 does not apply to second or subsequent years' applications of a service charge that is authorized to be in effect for more than one year. An ordinance or resolution imposing a service charge for more than one year shall not be adopted unless the notice of public hearing required by section 2 and the notice mailed with the adopted ordinance or resolution pursuant to section 10 includes the following information:

(a) In the case of an improvement, the maximum service charge to be imposed in any year and the maximum number of years that the service charges imposed to pay for the improvement.

(b) In the case of operating and maintenance services, the maximum service charge to be imposed in any year and the maximum number of years that the service charges imposed to pay for the operation and maintenance services, or a statement that the service charge will be imposed

for an indefinite number of years.

The ordinance or resolution may provide that the maximum service charge to be imposed in any year will increase or decrease from the maximum amount authorized in the preceding year based on an indicator of increased cost or a percentage amount established by resolution."

Delete the title and insert:

"A bill for an act relating to the financing and operation of state and local government; providing penalties; appropriating money; amending Minnesota Statutes 1986, sections 62C.01, by adding a subdivision; 64B.24; 69.031, subdivision 3; 168.011, subdivisions 4 and 8; 168.012, subdivision 9; 168.013, subdivision 1, and by adding a subdivision; 168.053, subdivision 2; 168.27, subdivision 1; 237.075, subdivision 8; 256.72; 256.81; 256.82, subdivision 1; 256.863; 256.871, subdivision 6; 256.935, subdivision 1; 256.991; 256B.041, subdivisions 5 and 7; 256B.05, subdivision 1; 256B.19, subdivision 2; 256D.03, subdivision 6; 256D.04; 256D.36, subdivision 1; 270.075, subdivision 2; 270.41; 270.70, subdivision 1; 271.01, subdivision 5; 273.05, subdivision 1; 273.061, subdivision 2; 273.112, subdivisions 3 and 6; 273.121; 273.124, subdivisions 1 and 6; 273.1315; 273.40; 275.07, by adding a subdivision; 275.08, by adding subdivisions; 276.06; 277.05; 277.06; 279.01, subdivision 3; 287.21, by adding a subdivision; 290.01, by adding subdivisions; 290.06, by adding a subdivision; 290.39, by adding a subdivision; 290.50, subdivision 3; 290.931, subdivision 1; 290.934, subdivisions 1, 3, and by adding a subdivision; 290A.03, subdivision 7; 296.01, subdivisions 6 and 19; 296.12, subdivision 4; 296.14, subdivision 2; 296.18, subdivision 1; 297.01, by adding a subdivision; 297.03, subdivision 12, and by adding a subdivision; 297.041, subdivision 1; 297.06, subdivisions 1, 2, 3, and by adding a subdivision; 297.08, subdivision 1; 297.12, subdivision 1; 297.35, by adding a subdivision; 297A.15, subdivisions 1 and 5; 297A.16; 297A.17; 297A.21; 297A.25, subdivision 5, and by adding subdivisions; 297A.35, subdivision 1; 297B.01, subdivision 5; 297C.02, subdivision 4; 297C.03, by adding a subdivision; 297C.07; 297D.08; 298.223; 298.28, subdivision 3; 298.75, subdivision 1; 303.03; 329.11; 349.12, subdivision 18, and by adding subdivisions; 349.2121, subdivisions 1, 2, 5, and by adding a subdivision; 349.22, subdivision 1, and by adding subdivisions; 375.192, subdivision 1; 387.212; 393.07, subdivision 2; 473.843, subdivision 2; 473F02, by adding a subdivision; 473E07, subdivisions 4 and 5; 473F08, subdivisions 1, 3, 3a, 5, and 10; 473F10; 475.51, subdivision 5; 477A.011, subdivisions 3, 3a, and by adding subdivisions; 477A.012, by adding a subdivision; 477A.013, by adding a subdivision; 477A.015; 507.235, subdivision 1; Minnesota Statutes 1987 Supplement, sections 16A.15, subdivision 6; 16A.1541; 60A.15, subdivision 1; 60E.04, subdivision 4; 69.021, subdivision 5; 69.54; 124.155, subdivision 2; 124.2139; 124A.02, subdivision 11; 256.01, subdivision 2; 256B.091, subdivision 8; 256B.15; 256B.19, subdivision 1; 256D.03, subdivision 2; 256G.01, subdivision 3; 256G.02, subdivision 4; 256G.04, subdivision 1; 256G.05; 256G.07; 256G.10; 256G.11; 270.485; 272.01, subdivision 2; 272.02, subdivision 1; 272.115, subdivision 4; 273.061, subdivision 1; 273.1102, by adding a subdivision; 273.1195; 273.123, subdivisions 1, 4, and 5; 273.124, subdivisions 8, 11, and 13; 273.13, subdivisions 15a, 22, 23, 24, 25, and 31; 273.135, subdivision 2; 273.1391, subdivision 2; 273.1392; 273.1393; 273.1397, subdivision 2; 273.37, subdivision 2; 274.01, subdivision 1; 275.07, subdivision 1; 275.50, subdivision 2; 275.51, subdivision 3h; 276.04; 279.01, subdivision 1; 290.01,

subdivisions 3a, 4, 5, 7, 19, 19a, 19b, 19c, 19d, 19e, and 20; 290.015, subdivisions 1, 2, 3, and 4; 290.06, subdivisions 2c, 20, and 21; 290.067, subdivisions 1 and 2a; 290.081; 290.092, subdivisions 3, 4, 5, and by adding a subdivision; 290.095, subdivisions 1, 2, 3, and by adding a subdivision; 290.10; 290.17, subdivisions 2 and 4; 290.191, subdivisions 1, 4, 5, 6, and 11; 290.21, subdivisions 3 and 4; 290.34, subdivision 2; 290.35, subdivision 2; 290.37, subdivision 1; 290.371, subdivisions 1, 3, 4, and 5; 290.38; 290.41, subdivision 2; 290.491; 290.92, subdivisions 7 and 15; 290.934, subdivision 2; 290.9725; 290A.03, subdivisions 3, 8, and 15; 290A.06; 290A.19; 295.32; 297.01, subdivisions 7 and 14; 297.03, subdivision 6; 297.11, subdivision 5; 297A.01, subdivision 3; 297A.212; 297A.25, subdivisions 3 and 11; 297A.44, subdivision 1; 297C.04; 298.01, subdivisions 3 and 4; 298.22, subdivision 1; 298.2213, subdivision 3; 299.01, subdivision 1; 349.212, subdivisions 1 and 4; 349.2121, subdivisions 4a and 10; 349.2122; 349.2123; 393.07, subdivision 10; 469.170, by adding a subdivision; 469.174, subdivisions 7, 10, and by adding a subdivision; 469.175, subdivisions 1, 2, 3, 4, and by adding a subdivision; 469.176, subdivisions 1, 4, 5, and 6; 469.177, subdivisions 1, 3, 4, 7, and by adding a subdivision; 469.179; 473.446, subdivision 1; 473F02, subdivision 4; 473F05; 473F06; 473F07, subdivision 1; 473F08, subdivisions 2, 4, and 6; 475.61, subdivision 3; 477A.012, subdivision 1; and 477A.013, subdivisions 1 and 2; Laws 1982, chapter 523, article XI, sections 1 and 3; Laws 1986, chapter 441, section 14; Laws 1987, chapter 268, article 6, sections 53 and 54; proposing coding for new law in Minnesota Statutes, chapters 168; 256; 273; 290; 297; 297C; 298; 349; and 469; repealing Minnesota Statutes 1986, sections 256.965; 273.13, subdivision 30; 290.07, subdivisions 3 and 6; 290.11; 290.12; 290.131; 290.132; 290.133; 290.134; 290.135; 290.136; 290.138; 290.934, subdivision 4; 297A.15, subdivision 2; 297C.03, subdivision 5; 298.401; 299.013; and 477A.011, subdivisions 4, 5, 6, 7a, 10, 11, 12, 13, and 14; Minnesota Statutes 1987 Supplement, sections 256D.22; 273.1102, subdivision 2; 273.13, subdivisions 9 and 15a; 273.1394; 273.1395; 273.1396; 275.081; 275.082; 275.125, subdivision 22; 290.077, subdivision 1; 290.14; 290.21, subdivision 8; 290.371, subdivision 2; 477A.011, subdivision 7; and Laws 1987, chapter 268, article 18, section 5."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1796 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1796	1877				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1796 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1796 and insert the language after the enacting clause of S.F. No. 1877, the second engrossment; further, delete the title of H.F. No. 1796 and insert the title of S.F. No. 1877, the second engrossment.

And when so amended H.F. No. 1796 will be identical to S.F. No. 1877, and further recommends that H.F. No. 1796 be given its second reading and substituted for S.F. No. 1877, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 1430, 1891 and 2260 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 2524 and 1796 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Dicklich moved that his name be stricken as chief author, shown as a co-author, and the name of Mr. Dahl be shown as chief author to S.F. No. 1838. The motion prevailed.

Mr. Pogemiller moved that his name be stricken as chief author, and the name of Ms. Reichgott be shown as chief author to S.F. No. 1964. The motion prevailed.

Mr. Bertram introduced—

Senate Resolution No. 131: A Senate resolution commending the Pierz Golf Course of Pierz, Minnesota.

Referred to the Committee on Rules and Administration.

Mr. Morse moved that S.F. No. 2174, No. 26 on General Orders, be stricken and re-referred to the Committee on Governmental Operations. The motion prevailed.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 2703 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 2703: A bill for an act relating to intoxicating liquor; authorizing the city of Bloomington to issue an on-sale intoxicating liquor license to Midsummer, A Festival of Music.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 52 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Knutson	Moe, R.D.	Schmitz
Anderson	Diessner	Kroening	Morse	Solon
Belanger	Frank	Langseth	Pehler	Spear
Benson	Frederick	Lantry	Peterson, D.C.	Storm
Berg	Frederickson, D.J.	Larson	Peterson, R.W.	Stumpf
Bernhagen	Frederickson, D.R.	Luther	Piper	Taylor
Bertram	Gustafson	Marty	Pogemiller	Vickerman
Brandl	Hughes	McQuaid	Ramstad	Waldorf
Dahl	Johnson, D.E.	Mehrken	Reichgott	
Davis	Jude	Metzen	Renneke	
Decker	Knaak	Moe, D.M.	Samuelson	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1595 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1595: A bill for an act relating to state agencies; returning the control of the Minnesota veterans home to the department of veterans affairs; creating the veterans home board of directors and providing for its powers and duties; providing for the appointment of deputy commissioners and providing for their powers and duties; appropriating money; amending Minnesota Statutes 1986, sections 196.03; 196.05; 198.001; 198.01; 198.022; 198.03; 198.05; 198.065; 198.075; 198.16; 198.161; 198.23; 198.231; 198.261; 198.265; 198.266; 198.31; 198.32; 198.33; and 198.34; proposing coding for new law in Minnesota Statutes, chapters 196 and 198; repealing Minnesota Statutes 1986, sections 196.02, subdivision 3; and 198.06.

Mr. Moe, D.M. moved to amend S.F. No. 1595 as follows:

Page 4, line 21, delete "*members of*"

Page 4, line 22, delete "*congressionally chartered*" and delete "*organizations that have a*"

Page 4, delete line 23

Page 4, line 24, delete "*Minnesota*"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 11 and nays 49, as follows:

Those who voted in the affirmative were:

Berglin	Luther	Merriam	Peterson, D.C.	Piper
Brandl	Marty	Moe, D.M.	Peterson, R.W.	Spear
Gustafson				

Those who voted in the negative were:

Adkins	Davis	Johnson, D.E.	McQuaid	Renneke
Anderson	Decker	Johnson, D.J.	Mehrken	Samuelson
Belanger	DeCramer	Jude	Metzen	Schmitz
Benson	Dicklich	Knaak	Moe, R.D.	Solon
Berg	Diessner	Knutson	Morse	Storm
Bernhagen	Frank	Kroening	Novak	Stumpf
Bertram	Frederick	Langseth	Pehler	Taylor
Brataas	Frederickson, D.J.	Lantry	Purfeerst	Vickerman
Chmielewski	Frederickson, D.R.	Larson	Ramstad	Wegscheid
Cohen	Freeman	Lessard	Reichgott	

The motion did not prevail. So the amendment was not adopted.

Mr. Moe, D.M. then moved to amend S.F. No. 1595 as follows:

Page 1, line 27, delete "*The salary of*"

Page 1, delete line 28.

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 32 and nays 30, as follows:

Those who voted in the affirmative were:

Berg	Dicklich	Larson	Novak	Stumpf
Berglin	Frank	Luther	Peterson, D.C.	Taylor
Brandl	Freeman	Marty	Peterson, R. W.	Waldorf
Chmielewski	Johnson, D.J.	Merriam	Piper	Wegscheid
Cohen	Knaak	Moe, D.M.	Pogemiller	
Dahl	Langseth	Moe, R. D.	Spear	
DeCramer	Lantry	Morse	Storm	

Those who voted in the negative were:

Adkins	Davis	Gustafson	McQuaid	Reichgott
Anderson	Decker	Johnson, D.E.	Mehrkens	Renneke
Benson	Diessner	Jude	Metzen	Samuelson
Bernhagen	Frederick	Knutson	Pehler	Schmitz
Bertram	Frederickson, D.J.	Kroening	Purfeerst	Solon
Brataas	Frederickson, D.R.	Lessard	Ramstad	Vickerman

The motion prevailed. So the amendment was adopted.

S.F. No. 1595 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 57 and nays 5, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Merriam	Samuelson
Anderson	Decker	Jude	Metzen	Schmitz
Belanger	DeCramer	Knaak	Moe, R. D.	Solon
Benson	Dicklich	Knutson	Novak	Storm
Berg	Diessner	Kroening	Pehler	Stumpf
Bernhagen	Frank	Langseth	Peterson, R. W.	Taylor
Bertram	Frederick	Lantry	Piper	Vickerman
Brandl	Frederickson, D.J.	Larson	Pogemiller	Waldorf
Brataas	Frederickson, D.R.	Lessard	Purfeerst	Wegscheid
Chmielewski	Freeman	Luther	Ramstad	
Cohen	Gustafson	McQuaid	Reichgott	
Dahl	Johnson, D.E.	Mehrkens	Renneke	

Those who voted in the negative were:

Berglin	Marty	Moe, D.M.	Peterson, D.C.	Spear
---------	-------	-----------	----------------	-------

So the bill, as amended, passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the General Orders Calendar. The motion prevailed.

GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Chmielewski in the chair.

After some time spent therein, the committee arose, and Mr. Chmielewski reported that the committee had considered the following:

H.F. Nos. 2029 and 2038, which the committee recommends to pass.

H.F. No. 2192, which the committee recommends to pass with the following amendment offered by Mr. Novak:

Amend H.F. No. 2192, as amended pursuant to Rule 49, adopted by the Senate March 28, 1988, as follows:

(The text of the amended House File is identical to S.F. No. 1876.)

Page 1, line 27, delete "*the provisions*" and insert "*any provision*" and before the comma, insert "*other than section 169.67*"

Page 1, after line 31, insert:

"Sec. 2. Minnesota Statutes 1986, section 169.81, subdivision 2, is amended to read:

Subd. 2. [LENGTH OF VEHICLES.] (a) No single unit motor vehicle, except ~~truck~~ mobile cranes which may not exceed 45 feet, unladen or with load may exceed a length of 40 feet extreme overall dimensions inclusive of front and rear bumpers, except that the governing body of a city is authorized by permit to provide for the maximum length of a motor vehicle, or combination of motor vehicles, or the number of vehicles that may be fastened together, and which may be operated upon the streets or highways of a city; provided, that the permit may not prescribe a length less than that permitted by state law. A motor vehicle operated in compliance with the permit on the streets or highways of the city is not in violation of this chapter.

(b) No single semitrailer may have an overall length, exclusive of non-cargo-carrying accessory equipment, including refrigeration units or air compressors, necessary for safe and efficient operation mounted or located on the end of the semitrailer adjacent to the truck or truck-tractor, in excess of 48 feet, except that a single semitrailer may have an overall length in excess of 48 feet if (1) the distance from the kingpin to the centerline of the rear axle group of the semitrailer does not exceed 41 feet, and (2) if the semitrailer is operated only in a combination of vehicles which does not exceed an overall length of 65 feet. No single trailer may have an overall length inclusive of tow bar assembly and exclusive of rear protective bumpers which do not increase the overall length by more than six inches, in excess of 45 feet. For determining compliance with the provisions of this subdivision, the length of the semitrailer or trailer must be determined separately from the overall length of the combination of vehicles.

(c) No semitrailer or trailer used in a three-vehicle combination may have an overall length, exclusive of non-cargo-carrying accessory equipment, including refrigeration units or air compressors, necessary for safe and efficient operation mounted or located on the end of the semitrailer or trailer adjacent to the truck or truck-tractor, and further exclusive of the tow bar assembly, in excess of 28-1/2 feet. The commissioner may not grant a permit authorizing the movement, in a three-vehicle combination, of a semitrailer or trailer that exceeds 28-1/2 feet, except that the commissioner may renew a permit that was granted before April 16, 1984 for the movement of a semitrailer or trailer that exceeds the length limitation in this paragraph."

Renumber the sections in sequence and correct the internal references
Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 1937, which the committee recommends to pass with the following amendment offered by Mr. Pogemiller:

Page 6, line 25, delete "*a preponderance of the*" and insert "*clear and convincing*"

Page 6, line 26, delete everything after "*the*" and insert "*designated offense may only be established by a felony level criminal conviction.*"

Page 6, delete line 27

Page 8, line 20, after "*All*" insert "*personal*"

Page 8, line 21, delete "*, real and personal,*"

Page 8, line 25, delete "*an activity that is*"

Page 8, line 33, delete "*acts constituting*"

Mr. Freeman requested division of the amendment as follows:

First portion:

Page 8, line 20, after "*All*" insert "*personal*"

Page 8, line 21, delete "*, real and personal,*"

Page 8, line 25, delete "*an activity that is*"

Page 8, line 33, delete "*acts constituting*"

Second portion:

Page 6, line 25, delete "*a preponderance of the*" and insert "*clear and convincing*"

Page 6, line 26, delete everything after "*the*" and insert "*designated offense may only be established by a felony level criminal conviction.*"

Page 6, delete line 27

The question was taken on the adoption of the first portion of the amendment. The motion prevailed. So the first portion of the amendment was adopted.

The question was taken on the adoption of the second portion of the amendment. The motion prevailed. So the second portion of the amendment was adopted.

On motion of Mr. Moe, R.D., the report of the Committee of the Whole, as kept by the Secretary, was adopted.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Moe, R.D. moved that H.F. No. 1749 be taken from the table. The motion prevailed.

H.F. No. 1749: A bill for an act relating to transportation; increasing the tax on gasoline and special fuel to 20 cents per gallon; increasing the share of motor vehicle excise tax revenues dedicated to highways and transit to 35 percent; amending Minnesota Statutes 1986, section 296.02, subdivision

1b; and Minnesota Statutes 1987 Supplement, sections 296.025, subdivisions 2a and 2b; and 297B.09, subdivision 1.

Mr. Peterson, R.W. moved to amend H.F. No. 1749, the second unofficial engrossment, as follows:

Page 4, line 1, strike "of"

Page 4, line 2, delete "\$30"

Page 4, line 12, strike everything after "dealer"

Page 4, line 13, strike "the dealer or employee" and strike "either private or"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 23 and nays 37, as follows:

Those who voted in the affirmative were:

Beckman	Dicklich	Marty	Pehler	Spear
Berglin	Freeman	Mehrkens	Peterson, D.C.	Taylor
Brandl	Langseth	Merriam	Peterson, R.W.	Vickerman
Chmielewski	Lessard	Moe, D.M.	Piper	
Davis	Luther	Moe, R.D.	Pogemiller	

Those who voted in the negative were:

Adkins	Dahl	Johnson, D.E.	Metzen	Schmitz
Anderson	Decker	Johnson, D.J.	Morse	Solon
Belanger	DeCramer	Jude	Novak	Storm
Benson	Diessner	Knutson	Olson	Stumpf
Berg	Frederick	Laidig	Purfeerst	Waldorf
Bernhagen	Frederickson, D.I.	Lantry	Ramstad	
Bertram	Frederickson, D.R.	Larson	Renneke	
Brataas	Gustafson	McQuaid	Samuelson	

The motion did not prevail. So the amendment was not adopted.

Mr. Peterson, R.W. then moved to amend H.F. No. 1749, the second unofficial engrossment, as follows:

Page 4, line 1, strike "of"

Page 4, line 2, delete "\$30"

Page 7, line 19, delete "\$30" and insert "\$150"

The motion did not prevail. So the amendment was not adopted.

Mr. Peterson, R.W. then moved to amend H.F. No. 1749, the second unofficial engrossment, as follows:

Page 4, line 1, strike "of"

Page 4, line 2, delete "\$30"

Page 7, line 19, delete "\$30" and insert "\$100"

The motion did not prevail. So the amendment was not adopted.

Mr. Peterson, R.W. then moved to amend H.F. No. 1749, the second unofficial engrossment, as follows:

Page 4, line 1, strike "of"

Page 4, line 2, delete "\$30"

Page 7, line 19, delete "\$30" and insert "\$75"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 25 and nays 39, as follows:

Those who voted in the affirmative were:

Beckman	Davis	Marty	Morse	Pogemiller
Berglin	DeCramer	McQuaid	Pehler	Spear
Brandl	Dicklich	Merriam	Peterson, D.C.	Stumpf
Chmielewski	Freeman	Moe, D.M.	Peterson, R.W.	Taylor
Cohen	Luther	Moe, R.D.	Piper	Waldorf

Those who voted in the negative were:

Adkins	Dahl	Johnson, D.J.	Lessard	Renneke
Anderson	Decker	Jude	Mehrkens	Samuelson
Belanger	Diessner	Knaak	Metzen	Schmitz
Benson	Frederick	Knutson	Novak	Solon
Berg	Frederickson, D.J.	Kroening	Olson	Storm
Bernhagen	Frederickson, D.R.	Laidig	Purfeerst	Vickerman
Bertram	Gustafson	Lantry	Ramstad	Wegscheid
Brataas	Johnson, D.E.	Larson	Reichgott	

The motion did not prevail. So the amendment was not adopted.

Mr. Mehrkens moved to amend H.F. No. 1749, the second unofficial engrossment, as follows:

Pages 1 to 4, delete sections 1 and 2

Pages 5 and 6, delete section 4

Pages 6 to 9, delete sections 7 to 11 and insert:

“Sec. 4. Minnesota Statutes 1987 Supplement, section 297B.09, subdivision 1, is amended to read:

Subdivision 1. [GENERAL FUND SHARE.] (a) Money collected and received under this chapter must be deposited in the state treasury and credited to the general fund as follows:

- (1) 65 percent to the general fund;
- (2) 26-1/4 percent to the highway user tax distribution fund for distribution in the same manner as other money in that fund; and
- (3) 8-3/4 percent to the transit assistance fund.

The amounts collected and received shall be credited to the highway user tax distribution fund and the transit assistance fund as provided in this subdivision, and must be transferred from the general fund on July 15 and January 15 of each fiscal year. The commissioner of finance must make each transfer based upon the actual receipts of the preceding six calendar months and include the interest earned during that six-month period. The commissioner of finance may establish a quarterly or other schedule providing for more frequent payments to the transit assistance fund if the commissioner determines it is necessary or desirable to provide for the cash flow needs of the recipients of money from the transit assistance fund. Five percent of the money must be deposited in the highway user tax distribution fund and the transit assistance fund for apportionment as provided in this section. Of the money deposited under this section, 75 percent must be credited to the highway user tax distribution fund for apportionment in the same manner and for the same purposes as other money in that fund. The remaining 25 percent of the money must be credited to the transit assistance fund to be appropriated to the commissioner of transportation

for transit assistance within the state and to the regional transit board.

(b) The distributions under this subdivision to the highway user tax distribution fund must be reduced by the amount necessary to fund the appropriation under section 41A.09, subdivision 1. For the fiscal years ending June 30, 1988, and June 30, 1989, the commissioner of finance, before making the transfers required on July 15 and January 15 of each year, shall estimate the amount required to fund the appropriation under section 41A.09, subdivision 1, for the six-month period for which the transfer is being made. The commissioner shall then reduce the amount transferred to the highway user tax distribution fund by the amount of that estimate. The commissioner shall reduce the estimate for any six-month period by the amount by which the estimate for the previous six-month period exceeded the amount needed to fund the appropriation under section 41A.09, subdivision 1, for that previous six-month period. If at any time during a six-month period in those fiscal years the amount of reduction in the transfer to the highway user tax distribution fund is insufficient to fund the appropriation under section 41A.09, subdivision 1 for that period, the commissioner shall transfer to the general fund from the highway user tax distribution fund an additional amount sufficient to fund the appropriation for that period, but the additional amount so transferred to the general fund in a six-month period may not exceed the amount transferred to the highway user tax distribution fund for that six-month period."

Page 9, delete line 11

Page 9, line 12, delete everything before "are" and insert "Sections 1 to 3"

Page 9, line 14, delete "9" and insert "4"

Page 9, delete line 15

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 33 and nays 32, as follows:

Those who voted in the affirmative were:

Anderson	Brataas	Johnson, D.E.	McQuaid	Samuelson
Beckman	Davis	Jude	Mehrkens	Schmitz
Belanger	Decker	Knaak	Metzen	Storm
Benson	Frederick	Knutson	Morse	Taylor
Berg	Frederickson, D.J.	Kroening	Olson	Vickerman
Bernhagen	Frederickson, D.R.	Laidig	Ramstad	
Bertram	Gustafson	Larson	Renneke	

Those who voted in the negative were:

Adkins	Dicklich	Luther	Peterson, D.C.	Spear
Berglin	Diessner	Marty	Peterson, R.W.	Stumpf
Brand	Freeman	Merriam	Piper	Waldorf
Chmielewski	Johnson, D.J.	Moe, D.M.	Pogemiller	Wegscheid
Cohen	Langseth	Moe, R.D.	Purfeerst	
Dahl	Lantry	Novak	Reichgott	
DeCramer	Lessard	Pehler	Solon	

The motion prevailed. So the amendment was adopted.

CALL OF THE SENATE

Mr. Benson imposed a call of the Senate for the balance of the proceedings on H.F. No. 1749. The Sergeant at Arms was instructed to bring in the absent members.

RECONSIDERATION

Having voted on the prevailing side, Mr. Kroening moved that the vote whereby the Mehrkens amendment to H.F. No. 1749 was adopted on March 29, 1988, be now reconsidered.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 43 and nays 22, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Lantry	Novak	Schmitz
Berg	Dicklich	Lessard	Pehler	Solon
Berglin	Diessner	Luther	Peterson, D.C.	Spear
Bertram	Frederickson, D.J.	Marty	Peterson, R.W.	Stumpf
Brandl	Freeman	Merriam	Piper	Vickerman
Chmielewski	Johnson, D.J.	Metzen	Pogemiller	Waldorf
Cohen	Jude	Moe, D.M.	Purfearer	Wegscheid
Dahl	Kroening	Moe, R.D.	Reichgott	
Decker	Langseth	Morse	Samuelson	

Those who voted in the negative were:

Anderson	Brataas	Johnson, D.E.	McQuaid	Storm
Beckman	Davis	Knaak	Mehrkens	Taylor
Belanger	Frederick	Knutson	Olson	
Benson	Frederickson, D.R.	Laidig	Ramstad	
Bernhagen	Gustafson	Larson	Renneke	

The motion prevailed. So the vote was reconsidered.

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 31 and nays 34, as follows:

Those who voted in the affirmative were:

Anderson	Brataas	Johnson, D.E.	Mehrkens	Storm
Beckman	Davis	Jude	Metzen	Taylor
Belanger	Decker	Knaak	Morse	Vickerman
Benson	Frederick	Knutson	Olson	
Berg	Frederickson, D.J.	Laidig	Ramstad	
Bernhagen	Frederickson, D.R.	Larson	Renneke	
Bertram	Gustafson	McQuaid	Schmitz	

Those who voted in the negative were:

Adkins	Dicklich	Lessard	Pehler	Samuelson
Berglin	Diessner	Luther	Peterson, D.C.	Solon
Brandl	Freeman	Marty	Peterson, R.W.	Spear
Chmielewski	Johnson, D.J.	Merriam	Piper	Stumpf
Cohen	Kroening	Moe, D.M.	Pogemiller	Waldorf
Dahl	Langseth	Moe, R.D.	Purfearer	Wegscheid
DeCramer	Lantry	Novak	Reichgott	

The motion did not prevail. So the amendment was not adopted.

Mr. Benson moved to amend H.F. No. 1749, the second unofficial engrossment, as follows:

Page 1, after line 19, insert:

"Section 1. Minnesota Statutes 1987 Supplement, section 41A.09, subdivision 5, is amended to read:

Subd. 5. [EXPIRATION.] This section ~~expires July 1, 2000~~ *is repealed on February 16, 1995*, and all money in the fund on that date reverts to the general fund."

Page 6, after line 8, insert:

"Sec. 6. Minnesota Statutes 1986, section 296.02, subdivision 7, is amended to read:

Subd. 7. [TAX REDUCTION FOR AGRICULTURAL ALCOHOL GASOLINE.] A distributor shall be allowed a credit on each gallon of fuel grade alcohol commercially blended with gasoline or blended in a tank truck with gasoline on which the tax imposed by subdivision 1 is due and payable. The amount of the credit for every gallon of fuel-grade alcohol blended with gasoline to produce agricultural alcohol gasoline is as follows:

(a) ~~For the fiscal year ending June 30, 1987, 25 cents-~~

~~(b)~~ On and after July 1, 1987, 20 cents.

(b) On and after January 1, 1991, 10 cents.

The credit allowed a distributor must not exceed the total tax liability under subdivision 1. The tax credit received by a distributor on alcohol blended with motor fuels shall be passed on to the retailer.

Sec. 7. Minnesota Statutes 1986, section 296.02, subdivision 8, is amended to read:

Subd. 8. [TAX REDUCTION FOR AGRICULTURAL ALCOHOL GASOLINE SOLD IN BULK TO GOVERNMENT OR FOR SCHOOL TRANSPORTATION.] A distributor shall be allowed a credit of ~~80~~ 40 cents for every gallon of fuel grade alcohol blended with gasoline to produce agricultural alcohol gasoline which is sold in bulk to the state, local units of government, or for use in the transportation of pupils to and from school-related events in school vehicles. This reduction is in lieu of the reductions provided in subdivision 7."

Page 7, after line 15, insert:

"Sec. 11. Minnesota Statutes 1986, section 296.16, is amended by adding a subdivision to read:

Subd. 1a. [MINIMUM OXYGEN CONTENT.] (a) *Unleaded gasoline with an octane rating of 90 or less may not be sold in this state for use in motor vehicles unless it is a gasoline blend consisting of 3.5 percent oxygen content by weight.*

(b) *The requirement of paragraph (a) applies to the metropolitan area, as defined in section 473.121, on and after January 1, 1991.*

(c) *The requirement of paragraph (a) applies to all statutory and home rule charter cities with a population of 50,000 or more, on and after January 1, 1993.*

(d) *The requirement of paragraph (a) applies to the entire state on and after January 1, 1995.*"

Page 8, after line 35, insert:

"Sec. 14. [RECOMMENDATION OF AN OXYGENATED FUEL.]

By January 1, 1989, the commissioners of the departments of agriculture, transportation, and public service, and the pollution control agency shall recommend to the legislature a specific oxygenated fuel and a formula for combining that fuel with gasoline, to meet the requirement imposed by section 11. In selecting the recommended fuel, the following must be considered:

(1) the goals of improving air quality in Minnesota and meeting federal air quality standards;

(2) the impact of federal legislation imposing a requirement that gasoline be blended with oxygenated fuel;

(3) the possibility of a reduced need for an inspection and maintenance program;

(4) the effect on engine use and wear of the various oxygenated fuels, and the impact of their use on the warranties of motor vehicles, and other gasoline-powered internal combustion engines;

(5) the energy efficiency of the various fuels;

(6) the physical feasibility of blending the fuels with gasoline;

(7) the current and potential availability of each oxygenated fuel from sources in Minnesota;

(8) the effect on the highway user tax distribution fund; and

(9) other relevant matters."

Page 9, after line 9, insert:

"Minnesota Statutes 1986, section 296.02, subdivisions 7 and 8, are repealed effective January 1, 1993."

Page 9, line 14, delete "Section 9 is" and insert "Sections 1, 6, 7, 11, 13, and 14 are"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 29 and nays 35, as follows:

Those who voted in the affirmative were:

Anderson	Dahl	Frederickson, D.R.	Larson	Storm
Beckman	Davis	Gustafson	Mehrkens	Taylor
Benson	Decker	Johnson, D.E.	Morse	Vickerman
Berg	DeCramer	Knaak	Pehler	Waldorf
Bernhagen	Frederick	Laidig	Renneke	Wegscheid
Brataas	Frederickson, D.I.	Langseth	Samuelson	

Those who voted in the negative were:

Adkins	Dicklich	Lantry	Moe, R.D.	Purfeerst
Belanger	Diessner	Lessard	Novak	Ramstad
Berglin	Freeman	Luther	Olson	Reichgott
Bertram	Johnson, D.I.	McQuaid	Peterson, D.C.	Schmitz
Brandl	Jude	Merriam	Peterson, R.W.	Solon
Chmielewski	Knutson	Metzen	Piper	Spear
Cohen	Kroening	Moe, D.M.	Pogemiller	Stumpf

The motion did not prevail. So the amendment was not adopted.

H.F. No. 1749 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 34 and nays 31, as follows:

Those who voted in the affirmative were:

Berglin	DeCramer	Lessard	Morse	Reichgott
Bertram	Dicklich	Luther	Novak	Schmitz
Brandl	Diessner	Marty	Peterson, D.C.	Solon
Chmielewski	Freeman	Merriam	Peterson, R.W.	Spear
Cohen	Johnson, D.J.	Metzen	Piper	Stumpf
Dahl	Langseth	Moe, D.M.	Pogemiller	Wegscheid
Davis	Lantry	Moe, R.D.	Purfeerst	

Those who voted in the negative were:

Adkins	Brataas	Jude	Mehrkens	Taylor
Anderson	Decker	Knaak	Olson	Vickerman
Beckman	Frederick	Knutson	Pehler	Waldorf
Belanger	Frederickson, D.J.	Kroening	Ramstad	
Benson	Frederickson, D.R.	Laidig	Renneke	
Berg	Gustafson	Larson	Samuelson	
Bernhagen	Johnson, D.E.	McQuaid	Storm	

So the bill passed and its title was agreed to.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

H.F. No. 2245: Mr. Peterson, R.W.; Meses. Peterson, D.C.; Reichgott; Messrs. DeCramer and Pehler.

H.F. No. 1817: Messrs. Wegscheid, Lessard and Bernhagen.

H.F. No. 1846: Messrs. Diessner, Laidig and Peterson, R.W.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Orders of Business of Reports of Committees and Second Reading of House Bills.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Merriam from the Committee on Finance, to which was re-referred

H.F. No. 1709: A bill for an act relating to retirement; judges' retirement fund; providing coverage under the combined service annuity, combined service disability benefit, and combined service survivor benefit provisions; requiring the establishment of a bounce-back joint and survivor optional annuity form; amending Minnesota Statutes 1987 Supplement, sections 356.30, subdivision 3; 356.302, subdivision 7; 356.303, subdivision 4; and 490.124, subdivision 11.

Reports the same back with the recommendation that the bill be amended as follows:

Amend the report from the Committee on Governmental Operations, adopted by the Senate March 22, 1988, as follows:

Page 6, line 22, delete "may" and insert "does" and delete "be"

Page 6, line 23, delete "construed to"

Page 6, line 36, delete "during" and insert "at"

Page 7, lines 1 and 3, delete "period of"

Page 7, line 3, delete "during" and insert "at" and delete "shall"

Page 7, line 4, delete "become" and insert "becomes"

Page 15, line 1, delete "calculated in accordance with"

Page 15, line 2, delete the new language and strike "; and" and insert "calculated in accordance with section 353.34, subdivision 2."

Page 15, line 4, strike the comma and insert a period

Page 15, line 5, strike "provided, however," and delete "that"

Page 15, line 7, delete ", and provided further" and insert a period

Page 15, line 8, delete "that" and delete "has been" and insert "must be"

Page 15, line 10, delete "taken in error"

Page 15, line 11, delete "deductions taken in error" and insert "an erroneous deduction"

Page 16, line 15, delete "(1)" and insert "the"

Page 16, line 16, delete "(2)"

Page 16, line 17, delete "(3)"

Page 16, line 18, delete "(4)" and delete "(5)"

Page 16, line 19, delete "(6)"

Page 16, line 20, delete "(7)"

Page 16, line 26, delete "any" and insert "a"

Page 28, line 13, delete "shall" and insert "must"

Page 36, line 4, delete "shall" and insert "must"

Page 36, lines 23 and 34, delete "8" and insert "7"

And when so amended the bill do pass. Amendments adopted. Report adopted.

SECOND READING OF HOUSE BILLS

H.F. No. 1709 was read the second time.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Moe, R.D. moved that S.F. No. 1632 be taken from the table. The motion prevailed.

S.F. No. 1632: A bill for an act relating to Ramsey County; authorizing a coordinated erosion and sediment control pilot program.

CONCURRENCE AND REPASSAGE

Mr. Knaak moved that the Senate concur in the amendments by the House to S.F. No. 1632 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1632 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 59 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Knaak	Moe, D.M.	Reichgott
Anderson	Davis	Knutson	Moe, R.D.	Renneke
Beckman	Decker	Kroening	Morse	Samuelson
Belanger	DeCramer	Laidig	Novak	Schmitz
Berg	Diessner	Langseth	Olson	Solon
Berglin	Frederick	Lantry	Pehler	Spear
Bernhagen	Frederickson, D.J.	Luther	Peterson, D.C.	Stumpf
Bertram	Frederickson, D.R.	Marty	Peterson, R. W.	Taylor
Brandl	Freeman	McQuaid	Piper	Vickerman
Brataas	Gustafson	Mehrkens	Pogemiller	Waldorf
Chmielewski	Johnson, D.E.	Merriam	Purfeerst	Wegscheid
Cohen	Jude	Metzen	Ramstad	

So the bill, as amended, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Wegscheid moved that S.F. No. 2308, No. 30 on General Orders, be stricken and re-referred to the Committee on Local and Urban Government. The motion prevailed.

Mr. Solon moved that S.F. No. 479, No. 86 on General Orders, be stricken and re-referred to the Committee on Local and Urban Government. The motion prevailed.

Mr. Davis moved that H.F. No. 1761, No. 45 on General Orders, be stricken and re-referred to the Committee on Environment and Natural Resources. The motion prevailed.

MEMBERS EXCUSED

Mr. Taylor was excused from the Session of today from 12:00 to 12:50 p.m. Mr. Wegscheid was excused from the Session of today from 12:00 to 1:45 p.m. Mr. Waldorf was excused from the Session of today from 12:00 to 12:45 p.m. Mr. Mehrkens was excused from the Session of today from 12:00 to 2:15 p.m. Mr. Hughes was excused from the Session of today from

1:30 to 2:45 p.m. and at 8:30 this evening. Mr. Laidig was excused from the Session of today from 4:45 to 5:30 and 7:00 to 8:40 p.m. Mr. Beckman was excused from the Session of today from 7:00 to 9:00 p.m. Mr. Frank was excused from the Session of today at 8:40 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 11:00 a.m., Wednesday, March 30, 1988. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

SEVENTY-NINTH DAY

St. Paul, Minnesota, Wednesday, March 30, 1988

The Senate met at 11:00 a.m. and was called to order by the President.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Kenneth L. O'Hotto.

The roll was called, and the following Senators answered to their names:

Adkins	Davis	Jude	Metzen	Renneke
Anderson	Decker	Knaak	Moe, D.M.	Samuelson
Beckman	DeCramer	Knutson	Moe, R.D.	Schmitz
Belanger	Dicklich	Kroening	Morse	Solon
Benson	Diessner	Laidig	Novak	Spear
Berg	Frank	Langseth	Olson	Storm
Berglin	Frederick	Lantry	Pehler	Stumpf
Bernhagen	Frederickson, D.J.	Larson	Peterson, D.C.	Taylor
Bertram	Frederickson, D.R.	Lessard	Peterson, R.W.	Vickerman
Brandl	Freeman	Luther	Piper	Waldorf
Brataas	Gustafson	Marty	Pogemiller	Wegscheid
Chmielewski	Hughes	McQuaid	Purfeerst	
Cohen	Johnson, D.E.	Mehrkens	Ramstad	
Dahl	Johnson, D.J.	Merriam	Reichgott	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received.

March 25, 1988

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1988 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Date Approved 1988	Date Filed 1988
	1740	413	March 25	March 25
	1766	414	March 25	March 25
	1816	415	March 25	March 25
	2056	416	March 25	March 25
896		417	March 25	March 25
1772		418	March 25	March 25

Sincerely,
Joan Anderson Growe
Secretary of State

March 29, 1988

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. Nos. 187, 678, 1710 and 2367.

Sincerely,
Rudy Perpich, Governor

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 3 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 1861: A bill for an act relating to health maintenance organizations; insurance; requiring replacement coverage in the event an HMO cancels coverage; increasing state comprehensive health plan liabilities in the event a member terminates coverage; increasing health maintenance organization notice requirements and annual reporting requirements; amending Minnesota Statutes 1986, sections 62D.07; 62D.08, subdivision 5; 62D.09; 62D.101; 62D.11; 62D.12, subdivision 2, and by adding a subdivision; 62D.17, subdivision 1; 62E.11, by adding subdivisions; 62E.14, subdivisions 1, 3, and by adding a subdivision; 62E.16; Minnesota Statutes 1987 Supplement, sections 62A.17, subdivision 6; and 62D.08, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 62D; repealing Laws 1984, chapter 464, sections 29 and 40.

There has been appointed as such committee on the part of the House:
Nelson, C.; Wynia and Anderson, R.

Senate File No. 1861 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 29, 1988

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 5 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 2565: A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and other agencies with certain conditions; amending Minnesota Statutes 1986, section 84B.11, subdivision 2.

There has been appointed as such committee on the part of the House: Rice, Lieder, Sarna, Kalis and Seaberg.

Senate File No. 2565 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 29, 1988

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 2569: A bill for an act relating to education; appropriating money to the higher education coordinating board, regents of the University of Minnesota, state university board, state board for community colleges, and state board of vocational technical education, with certain conditions; authorizing bonding for capital improvements; amending Minnesota Statutes 1986, sections 3.971, subdivision 1; 92.05; 136.31, by adding a subdivision; and 136.41, by adding subdivisions; 248.07, subdivisions 7 and 12; Minnesota Statutes 1987 Supplement, section 248.07, subdivision 8; Laws 1983, chapter 334, section 7, as amended; and Laws 1987, chapter 401, section 2, subdivision 6; proposing coding for new law in Minnesota Statutes, chapters 135A and 137; repealing Minnesota Statutes 1986, sections 136.26; and 136C.13, subdivision 3.

Senate File No. 2569 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 29, 1988

Mr. Merriam moved that the Senate do not concur in the amendments by the House to S.F. No. 2569, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1795:

H.F. No. 1795: A bill for an act relating to human services; creating a

task force to study building code standards for family and group family day care homes; changing building code requirements concerning certain child care facilities; amending Minnesota Statutes 1987 Supplement, sections 16B.61, subdivision 3; and 245A.09, by adding a subdivision.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Ogren, Cooper and Sviggum have been appointed as such committee on the part of the House.

House File No. 1795 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 29, 1988

Mr. Moe, R.D. moved that H.F. No. 1795 be laid on the table. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1980:

H.F. No. 1980: A bill for an act relating to highways; designating I-90 as AMVETS memorial highway; adding, deleting, and substituting routes on the trunk highway system; amending Minnesota Statutes 1986, section 161.14, by adding a subdivision.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Kalis, Bishop and Kludt have been appointed as such committee on the part of the House.

House File No. 1980 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 29, 1988

Mr. Merriam moved that H.F. No. 1980 be laid on the table. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 2126:

H.F. No. 2126: A bill for an act relating to the organization and operation of state government; appropriating money for human resources and other purposes with certain conditions; amending Minnesota Statutes 1986, sections 3.9223, subdivision 3; 3.9225, subdivision 3; 3.9226, subdivision 3; 62A.54; 62E.04, by adding subdivisions; 129A.02, subdivision 3; 129A.09; 129A.10; 144.053, by adding subdivisions; 144.125; 144A.04, by adding a subdivision; 145.853, subdivision 2; 145.894; 245.771, by adding a

subdivision; 245.814, subdivisions 1, 2, and 3; 245.83; 245.84, subdivision 1; 246.023; 248.07, subdivision 7 and 12; 252.291, subdivisions 1 and 2; 256.73, subdivisions 2, 6, and by adding subdivisions; 256.736, by adding subdivisions; 256.76, subdivision 1; 256B.08; 256B.092, subdivisions 5 and 7; 256B.14, subdivision 2; 256B.17, subdivision 7; 256B.431, by adding subdivisions; 256B.501, subdivision 3, and by adding subdivisions; 256B.69, subdivisions 3 and 4; 256D.02, subdivision 7, and by adding a subdivision; 256D.06, by adding a subdivision; 256D.07; 256D.35, by adding a subdivision; 256D.37, subdivision 2, and by adding subdivisions; 256E.12, subdivisions 1 and 2; 256F03, subdivision 8; 257.071, subdivisions 2 and 3, and by adding a subdivision; 257.072; 260.181, subdivision 3; 268.0111, by adding a subdivision; 268.911, subdivision 3; 326.371; 462A.05, by adding a subdivision; 462A.21, by adding a subdivision; 609.72, subdivision 1; 611A.32, by adding a subdivision; Minnesota Statutes 1987 Supplement, sections 3.922, subdivision 6; 16B.08, subdivision 7; 16B.61, subdivision 3; 62A.152, subdivision 2; 62A.48, subdivision 7; 62A.50, subdivision 3; 62D.102; 129A.01, subdivisions 5, 6, and 7; 129A.03; 129A.06, subdivision 1; 129A.07, subdivision 1; 129A.08, subdivisions 1, 4, and 5, and by adding subdivisions; 144A.071, subdivision 3; 144A.073, subdivisions 1, 2, 7, and 8; 148B.23, subdivision 1; 148B.42, subdivision 1; 245.462, subdivisions 3, 4, 6, 17, 18, 19, 20, 21, 23, and 25; 245.465; 245.466, subdivisions 1, 2, and 5; 245.467, by adding subdivisions; 245.469, subdivision 2; 245.471, subdivisions 2 and 3; 245.472, subdivision 2; 245.475, subdivisions 1 and 2; 245.476, subdivision 1; 245.477; 245.478, subdivisions 1, 2, and 9; 245.479; 245.482, subdivision 2; 245.696, subdivision 2; 245.697, subdivision 2, and by adding a subdivision; 245A.09, by adding a subdivision; 248.07, subdivision 8; 252.291, subdivision 3; 252.46, subdivisions 5 and 6, and by adding subdivisions; 253B.03, subdivision 6; 256.015, subdivision 2; 256.736, subdivisions 1b, 4, and 11; 256.936; 256.969, subdivision 3; 256B.02, subdivision 8; 256B.031, subdivision 5; 256B.042, subdivision 2; 256B.06, subdivisions 1 and 4; 256B.091, subdivision 4; 256B.35, subdivision 1; 256B.431, subdivision 4; 256B.433, subdivision 1; 256B.501, subdivision 1; 256B.73, subdivision 2, and by adding a subdivision; 256D.01, subdivision 1a; 256D.03, subdivision 3; 256D.06, subdivisions 1 and 1b; 256D.37, subdivision 1; 256E.12, subdivision 3; 268.91, subdivisions 1, 3, 3b, 3c, 3e, 4, and 12; 393.07, subdivision 10, and by adding a subdivision; Laws 1984, chapter 654, article 5, section 57, subdivision 1, as amended; Laws 1987, chapter 337, section 131; Laws 1987, chapter 403, article 2, section 34; Laws 1987, chapter 403, article 4, section 13; Laws 1987, chapter 403, article 1, section 4, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 62A; 62C; 62D; 144; 145; 152A; 157; 179A; 245; 246; 252; 256; 256B; 256H; 257; and 268; repealing Minnesota Statutes 1986, sections 136.26; 144.388; 245.84, subdivision 4; 245.86; 245.87; and 257.071, subdivision 6; Minnesota Statutes 1987 Supplement, sections 129A.01, subdivision 8; 129A.07, subdivision 2; 129A.08, subdivision 3; 148B.04, subdivision 1; and 256B.73, subdivision 10.

The House respectfully requests that a Conference Committee of 5 members be appointed thereon.

Greenfield, Rodosovich, Murphy, Riveness and Anderson, R., have been appointed as such committee on the part of the House.

House File No. 2126 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 29, 1988

Mr. Samuelson moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 2126, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 2344 and 2590.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 29, 1988

FIRST READING OF HOUSE BILLS

The following bills were read the first time.

H.F. No. 2344: A bill for an act relating to the organization and operation of state government; clarifying, providing for deficiencies in, and supplementing appropriations for the expenses of state government with certain conditions; creating and modifying agencies and functions; fixing and limiting fees; requiring studies and reports; appropriating money; amending Minnesota Statutes 1986, sections 3.9223, subdivision 5; 3.9225, subdivision 5; 3.9226, subdivision 5; 16B.24, by adding a subdivision; 88.22, by adding a subdivision; 89.001, by adding a subdivision; 89.19; 116.48, by adding subdivisions; 116J.615, by adding a subdivision; 296.16, by adding a subdivision; and 296.421, by adding a subdivision; Minnesota Statutes 1987 Supplement, sections 3.732, subdivision 1; 3.885; 85.055, subdivision 1; 105.44, subdivision 10; 115C.02, subdivision 13; 116C.712, subdivision 5; 116J.941, subdivision 1; 116O.03, subdivision 2; 116O.04, subdivision 1; 116O.06, subdivision 1; and 480.241, subdivision 2; Laws 1985, First Special Session chapter 15, section 4, subdivision 6; Laws 1987, chapter 357, section 27, subdivision 2; Laws 1987, chapter 404, sections 20, subdivision 6; and 22, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 89; 115C; 424A; and 446A; repealing Minnesota Statutes 1987 Supplement, section 161.52.

Mr. Moe, R.D. moved that H.F. No. 2344 be laid on the table. The motion prevailed.

H.F. No. 2590: A bill for an act relating to the financing of government in Minnesota; changing tax rates and bases; modifying the administration, collection, and enforcement of taxes; imposing taxes; changing the computation, administration, and payment of aids, credits, and refunds; limiting taxing powers; transferring and imposing governmental powers and duties; making technical corrections and clarifications; providing bonding authority to Hennepin County; imposing penalties; appropriating money and reducing appropriations; amending Minnesota Statutes 1986, sections 69.031, subdivision 3; 168.011, subdivision 8; 168.012, subdivision 9; 237.075, subdivision 8; 240.01, by adding a subdivision; 240.13, subdivisions 4 and 6; 240.15, subdivisions 1, 3, and 6; 240.18; 270.075, subdivision 2; 270.41;

270.70, subdivision 1; 271.01, subdivision 5; 273.05, subdivision 1; 273.061, subdivision 2; 273.112, subdivisions 3 and 6; 273.121; 273.124, subdivisions 1 and 6; 273.13, by adding a subdivision; 273.40; 279.01, subdivision 3; 287.21, by adding a subdivision; 290.01, by adding a subdivision; 290.06; by adding subdivisions; 290.39, by adding a subdivision; 290.50, subdivision 3; 290.92, subdivisions 2a and 21; 290.931, subdivision 1; 290.934, subdivisions 1, 3, and by adding a subdivision; 290A.03, subdivision 7; 297.01, by adding a subdivision; 297.03, subdivision 12, and by adding a subdivision; 297.041, subdivision 1; 297.06, subdivisions 1, 2, 3, and by adding a subdivision; 297.08, subdivision 1; 297.12, subdivision 1; 297.35, by adding a subdivision; 297A.02, subdivision 4; 297A.15, subdivisions 1 and 5; 297A.16; 297A.17; 297A.21; 297A.25, subdivisions 5, 8, 27, and by adding subdivisions; 297A.256; 297C.02, subdivisions 3 and 4; 297C.03, by adding a subdivision; 297C.07; 297D.08; 298.223; 303.03; 329.11; 349.12, subdivision 18, and by adding subdivisions; 349.2121, subdivisions 1, 2, 5, and by adding a subdivision; 349.22, subdivision 1, and by adding subdivisions; 375.192, subdivision 1; 375.83; 473.167, subdivisions 2, 3, and by adding subdivisions; 473.249, subdivision 1, and by adding a subdivision; 473.446, subdivision 3, and by adding a subdivision; 473.711, subdivision 2, and by adding a subdivision; 473.843, subdivision 2; 477A.011, subdivision 11, and by adding a subdivision; and 477A.015; Minnesota Statutes 1987 Supplement, sections 16A.1541; 60A.15, subdivision 1; 60E.04, subdivision 4; 69.021, subdivision 5; 69.54; 124.155, subdivision 2; 124A.02, subdivisions 3a and 11; 240.13, subdivision 5; 270.485; 272.02, subdivision 1; 272.115, subdivisions 4 and 5; 272.121; 273.061, subdivision 1; 273.1195; 273.123, subdivisions 4 and 5; 273.124, subdivisions 11 and 13; 273.13, subdivisions 23, 24, and 25; 273.135, subdivision 2; 273.1391, subdivision 2; 273.1392; 273.1393; 273.1397, subdivision 2; 273.165, subdivision 2; 273.42, subdivision 2; 274.01, subdivision 1; 274.19, subdivisions 1, 2, 3, 4, 6, 7, and 8; 275.07, subdivision 1; 275.50, subdivision 2; 275.51, subdivision 3h; 276.04; 279.01, subdivision 1; 290.01, subdivisions 3a, 4, 7, 19, 19a, 19b, 19c, 19d, 19e, and 20; 290.015, subdivisions 1, 2, 3, and 4; 290.06, subdivisions 1, 2c, and 21; 290.081; 290.092, subdivisions 3, 4, 5, and by adding a subdivision; 290.095, subdivisions 1, 3, and by adding a subdivision; 290.10; 290.17, subdivision 2; 290.191, subdivisions 6 and 11; 290.21, subdivisions 3 and 4; 290.35, subdivision 2; 290.371, subdivisions 1, 3, 4, and 5; 290.38; 290.41, subdivision 2; 290.92, subdivisions 7 and 15; 290.934, subdivision 2; 290.9725; 290A.03, subdivisions 3, 13, 14, and 15; 290A.04, subdivision 2; 290A.06; 295.32; 295.34, subdivision 1; 297.01, subdivisions 7 and 14; 297.03, subdivision 6; 297.11, subdivision 5; 297A.01, subdivision 3; 297A.212; 297A.25, subdivisions 3 and 11; 297B.03; 297C.04; 298.2213, subdivision 3; 299.01, subdivision 1; 349.212, subdivisions 1 and 4; 349.2121, subdivisions 4a and 10; 349.2122; 349.2123; 469.174, subdivision 10; 469.175, subdivisions 1, 2, 3, 4, and by adding a subdivision; 469.176, subdivisions 1, 4, and 6; 469.177, subdivisions 1, 3, 4, and by adding subdivisions; 473.446, subdivision 1; 475.53, subdivision 4; 475.61, subdivision 3; 477A.012, subdivision 1; and 508.25; Laws 1987, chapter 268, article 6, sections 19, 53, and 54; and article 8, section 9; proposing coding for new law in Minnesota Statutes, chapters 270; 273; 275; 290; 290A; 297; 297C; 298; 349; and 424A; repealing Minnesota Statutes 1986, sections 272.64; 273.13, subdivisions 7a and 30; 275.035; 275.49; 290.07, subdivisions 3 and 6; 290.11; 290.12, as amended; 290.131, as amended; 290.132, as amended; 290.133, as amended; 290.134, as amended; 290.135, as amended; 290.136, as amended; 290.138,

as amended; 290.934, subdivision 4; 297A.15; subdivision 2; 297C.03, subdivision 5; 298.401; and 299.013; Minnesota Statutes 1987 Supplement, sections 273.1195; 273.13, subdivision 15a; 273.1394; 273.1395; 273.1396; 273.1397; 275.081; 275.082; 275.125, subdivision 22; 290.06, subdivision 20; 290.077, subdivision 1; 290.14; 290.371, subdivision 2; 290A.04, subdivisions 2a and 2b; 296.02, subdivisions 2a and 2b; and 296.025, subdivisions 2a and 2b; Laws 1987, chapter 268, article 3, section 11; and article 5, section 4.

Mr. Moe, R.D. moved that H.F. No. 2590 be laid on the table. The motion prevailed.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 1462: A bill for an act relating to housing; creating a low-income housing trust fund account; providing for the uses of the account; placing certain requirements on real estate trust fund accounts; amending Minnesota Statutes 1986, sections 82.24, by adding a subdivision; and 82.34, subdivisions 6 and 15; Minnesota Statutes 1987 Supplement, section 82.17, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 462A.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 17, delete from "The" to page 2, line 20, "1."

Page 2, lines 20 and 21, delete "95 percent of"

Page 2, line 22, delete "fund"

Page 3, lines 27 and 28, delete "deposited in" and insert "credited to"

Page 3, lines 30, 32, and 35, delete "fund"

Page 3, line 31, delete "FUND"

Page 4, lines 9, 25, and 31; delete "fund"

Page 4, line 12, delete "limited equity" and insert "limited-equity"

Page 4, line 20, delete "emergency and permanent"

Page 4, line 21, delete from "The" to page 4, line 23, "first."

Page 4, line 35, after the period, insert "Members of the committee must be reimbursed for expenses but must not receive any other compensation for services on the committee."

Subd. 5. [TRANSFERS FOR EDUCATION.] *On July 15 and January 15 each year the agency shall transfer from the housing trust account to the real estate education, research, and recovery fund established in section 82.34, subdivision 1, five percent of the money received under section 2 during the preceding six months. The amount necessary to make the transfers is appropriated from the housing trust account.*

Sec. 6. [EFFECTIVE DATE.]

Section 5, subdivision 2, is effective the day following final enactment."

Amend the title as follows:

Page 1, lines 3 and 5, delete "fund"

Page 1, line 5, after the semicolon, insert "appropriating money;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1493 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1493	1675				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1493 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1493 and insert the language after the enacting clause of S.F. No. 1675, further, delete the title of H.F. No. 1493 and insert the title of S.F. No. 1675.

And when so amended H.F. No. 1493 will be identical to S.F. No. 1675, and further recommends that H.F. No. 1493 be given its second reading and substituted for S.F. No. 1675, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. No. 1462 was read the second time.

SECOND READING OF HOUSE BILLS

H.F. No. 1493 was read the second time.

MOTIONS AND RESOLUTIONS

Ms. Berglin moved that H.F. No. 1795 be taken from the table. The motion prevailed.

H.F. No. 1795: A bill for an act relating to human services; creating a task force to study building code standards for family and group family day care homes; changing building code requirements concerning certain child care facilities; amending Minnesota Statutes 1987 Supplement, sections 16B.61, subdivision 3; and 245A.09, by adding a subdivision.

Ms. Berglin moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1795; and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee

appointed on the part of the House. The motion prevailed.

SUSPENSION OF RULES

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the Calendar and that the rules of the Senate be so far suspended as to waive the lie-over requirement. The motion prevailed.

CALENDAR

H.F. No. 2029: A bill for an act relating to education; modifying provisions related to general education revenue and foundation revenue; correcting erroneous and obsolete references and text; providing instructions to the revisor; making miscellaneous corrections to statutes and other laws; amending Minnesota Statutes 1986, sections 3.866; 120.17, subdivisions 6 and 7; 120.181; 120.80, subdivision 1; 121.151; 121.904, subdivision 5; 121.931, subdivision 5; 122.45, subdivision 3a; 122.531, subdivisions 1 and 6; 123.32, subdivision 29; 123.3514, subdivision 6; 123.933, subdivision 3; 124.15, subdivisions 5 and 6; 124.18, subdivision 2; 124.19, subdivisions 1, 3, and 6; 124.274, subdivision 1; 124.32, subdivisions 4 and 6; 124A.02, subdivision 21; 124A.03, subdivision 2; 124A.034, subdivisions 1 and 1b; 124A.035, subdivisions 2 and 4; 124A.036, subdivisions 1 and 2; 126.70, subdivision 2; 129B.40, subdivision 1; 273.138, subdivision 6; 275.125, subdivision 1; 275.128; 298.39; and 475.61, subdivision 4; Minnesota Statutes 1987 Supplement, sections 120.17, subdivisions 5a and 7a; 121.912, subdivision 1; 123.3515, subdivision 9; 124.01, subdivision 1; 124.14, subdivision 7; 124.155, subdivision 2; 124.17, subdivisions 1 and 1b; 124.195, subdivisions 8 and 9; 124.217, subdivision 1; 124.223; 124.225, subdivisions 1 and 4b; 124.245, subdivision 3b; 124.271, subdivision 7; 124.2711, subdivision 1; 124.32, subdivisions 1c, 1d, and 5; 124A.02, subdivisions 8 and 16; 124A.032; 124A.035, subdivision 5; 124A.22, subdivision 1, and by adding subdivisions; 124A.23, subdivisions 2, 3, 4, and by adding a subdivision; 124A.24; 124A.26, subdivision 2; 124A.27, subdivisions 7 and 10; 124A.30; 126.23; 126.661, subdivision 1; 126.666, subdivision 1; 126.70, subdivision 2a; 129B.39; 129B.55, subdivision 2; 136D.27; 136D.74, subdivision 2; 136D.87; 275.125, subdivisions 5e, 6e, 8c, 9, 9b, and 15; and 298.28, subdivision 4; Laws 1987, chapter 398, article 1, section 25, subdivision 3; article 1, section 26, subdivision 2; article 7, section 40, subdivision 4; article 8, section 39, subdivision 2; and article 8, section 44, subdivision 5; repealing Minnesota Statutes 1986, sections 121.904, subdivision 7; 122.531, subdivision 8; 124.245, subdivision 4; and 124A.031, subdivision 3; Minnesota Statutes 1987 Supplement, sections 121.904, subdivision 11b; 124A.02, subdivision 5a; 124A.03, subdivision 3a; and 124A.25.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Jude	Merriam	Reichgott
Anderson	Davis	Knaak	Metzen	Renneke
Beckman	Decker	Knutson	Moe, R.D.	Samuelson
Belanger	DeCramer	Kroening	Morse	Schmitz
Benson	Dicklich	Laidig	Novak	Spear
Berg	Diessner	Langseth	Olson	Storm
Berglin	Frederick	Lantry	Pehler	Stumpf
Bernhagen	Frederickson, D.J.	Larson	Peterson, D.C.	Taylor
Bertram	Frederickson, D.R.	Lessard	Peterson, R.W.	Vickerman
Brandl	Freeman	Luther	Piper	Waldorf
Brataas	Gustafson	Marty	Pogemiller	Wegscheid
Chmielewski	Hughes	McQuaid	Purfeerst	
Cohen	Johnson, D.E.	Mehrkens	Ramstad	

Mr. Frank voted in the negative.

So the bill passed and its title was agreed to.

H.F. No. 2038: A bill for an act relating to employment; regulating youth employment programs; requiring that new jobs do not replace existing jobs; providing for compensation at the state or federal minimum wage; regulating employment contracts; authorizing the department of jobs and training to buy real estate and locate offices in Minneapolis; amending Minnesota Statutes 1986, sections 268.31, 268.32, and 268.34; proposing coding for new law in Minnesota Statutes, chapter 268.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	Merriam	Reichgott
Anderson	Davis	Jude	Metzen	Renneke
Beckman	Decker	Knaak	Moe, R.D.	Samuelson
Belanger	DeCramer	Knutson	Morse	Schmitz
Benson	Dicklich	Laidig	Novak	Spear
Berg	Diessner	Langseth	Olson	Storm
Berglin	Frank	Lantry	Pehler	Stumpf
Bernhagen	Frederick	Larson	Peterson, D.C.	Taylor
Bertram	Frederickson, D.J.	Lessard	Peterson, R.W.	Vickerman
Brandl	Frederickson, D.R.	Luther	Piper	Waldorf
Brataas	Freeman	Marty	Pogemiller	Wegscheid
Chmielewski	Gustafson	McQuaid	Purfeerst	
Cohen	Hughes	Mehrkens	Ramstad	

So the bill passed and its title was agreed to.

H.F. No. 2192: A bill for an act relating to transportation; providing for application of rules; providing for agreements with other states to administer special permits for vehicles exceeding weight and length restrictions; exempting limousines from motor carrier regulation; clarifying the filing of petitions for operating certificates and permits, carrying of cab cards, and requirements for private carriers; establishing insurance requirements; providing that investigative data on violations under chapter 221 may be given to transportation regulation board; amending Minnesota Statutes 1986, sections 169.86, by adding a subdivision; 221.025; 221.031, subdivisions 1, 2, 2a, and 3; 221.081; 221.121, subdivisions 1 and 5; 221.141, subdivision 1; 221.151, subdivision 1; 221.172, subdivision 2; 221.185, subdivision 9; 221.291, subdivisions 1 and 2; 221.296, subdivisions 4 and 8; and 221.81, subdivision 3a; Minnesota Statutes 1987 Supplement, sections 221.031, subdivision 7; 221.061; 221.291, subdivision 3; and 221.296, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters

169 and 221; repealing Minnesota Statutes 1986, section 13.72, subdivision 3.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	Mehrkens	Purfeerst
Anderson	Davis	Jude	Merriam	Ramstad
Beckman	Decker	Knaak	Metzen	Renneke
Belanger	DeCramer	Knutson	Moe, D.M.	Samuelson
Benson	Dicklich	Kroening	Moe, R.D.	Schmitz
Berg	Diessner	Laidig	Morse	Spear
Berglin	Frank	Langseth	Novak	Storm
Bernhagen	Frederick	Lantry	Olson	Taylor
Bertram	Frederickson, D.J.	Larson	Pehler	Vickerman
Brandl	Frederickson, D.R.	Lessard	Peterson, D.C.	Waldorf
Brataas	Freeman	Luther	Peterson, R.W.	Wegscheid
Chmielewski	Gustafson	Marty	Piper	
Cohen	Hughes	McQuaid	Pogemiller	

So the bill passed and its title was agreed to.

S.F. No. 1937: A bill for an act relating to crimes; providing for seizure and forfeiture of property used in commission of crime, proceeds of crime, and contraband; creating a presumption that money, precious metals, and jewels found near controlled substances, and vehicles containing controlled substances, are subject to forfeiture; providing for administrative forfeiture of such property with opportunity for judicial determination; providing for summary forfeiture of contraband, certain controlled substances, weapons following a conviction, and certain plants; providing for forfeiture by judicial action of property and proceeds associated with controlled substance violations and designated offenses; eliminating the requirement that forfeiture actions be dismissed if no associated conviction results; providing that a conviction creates the presumption that after-acquired property constitutes forfeitable proceeds of the offense; eliminating the defense of an owner who negligently allowed the unlawful use of the owner's property; providing that the right to forfeitable property passes to law enforcement agencies upon commission of unlawful act; allowing seizure without process incident to a lawful search without a warrant and in other circumstances; allocating the proceeds of forfeitures to law enforcement agencies and county attorneys; amending Minnesota Statutes 1986, sections 152.205; 152.21, subdivision 6; and 609.531, subdivisions 4, 5, and by adding subdivisions; Minnesota Statutes 1987 Supplement, section 609.531, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 609; repealing Minnesota Statutes 1986, sections 152.19; and 609.531, subdivisions 2, 3, and 6.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 52 and nays 12, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Knaak	Moe, R.D.	Renneke
Beckman	Dicklich	Kroening	Morse	Schmitz
Belanger	Diessner	Langseth	Novak	Spear
Benson	Frank	Lantry	Olson	Stumpf
Berglin	Frederickson, D.J.	Lessard	Pehler	Taylor
Bernhagen	Frederickson, D.R.	Luther	Peterson, D.C.	Vickerman
Bertram	Freeman	Marty	Piper	Waldorf
Brataas	Gustafson	McQuaid	Pogemiller	Wegscheid
Dahl	Hughes	Mehrkens	Purfeerst	
Davis	Johnson, D.E.	Metzen	Ramstad	
Decker	Jude	Moe, D.M.	Reichgott	

Those who voted in the negative were:

Anderson	Cohen	Laidig	Merriam	Samuelson
Berg	Frederick	Larson	Peterson, R.W.	Storm
Chmielewski	Knutson			

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Beckman moved that H.F. No. 1980 be taken from the table. The motion prevailed.

H.F. No. 1980: A bill for an act relating to highways; designating I-90 as AMVETS memorial highway; adding, deleting, and substituting routes on the trunk highway system; amending Minnesota Statutes 1986, section 161.14, by adding a subdivision.

Mr. Beckman moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1980, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

SUSPENSION OF RULES

Mr. Moe, R.D. moved to suspend Joint Rule 2.06 as to S.F. No. 1861. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 1861 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 1861

A bill for an act relating to health maintenance organizations; insurance; requiring replacement coverage in the event an HMO cancels coverage; increasing state comprehensive health plan liabilities in the event a member terminates coverage; increasing health maintenance organization notice requirements and annual reporting requirements; amending Minnesota Statutes 1986, sections 62D.07; 62D.08, subdivision 5; 62D.09; 62D.101; 62D.11; 62D.12, subdivision 2, and by adding a subdivision; 62D.17, subdivision 1; 62E.11, by adding subdivisions; 62E.14, subdivisions 1, 3, and by adding a subdivision; 62E.16; Minnesota Statutes 1987 Supplement, sections 62A.17, subdivision 6; and 62D.08, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 62D; repealing Laws 1984, chapter 464, sections 29 and 40.

March 29, 1988

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Robert Vanasek
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 1861, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S.F. No. 1861 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [FINDINGS.]

The legislature finds that access to continuous and uninterrupted health care coverage is necessary for citizens of Minnesota enrolled in health care plans. While Minnesota law requires conversion policies for members of group health plan contracts, no similar right is extended to holders of individual contracts.

The legislature finds it necessary for individual health care coverage policyholders to immediately be afforded the same protections as group contract holders. The legislature further finds that a legal requirement is necessary to protect the access to health care coverage for the citizens of Minnesota who hold individual health care contracts. In view of continuing uncertainty in the marketplace, the legislature finds it necessary to impose this legal requirement on all existing individual contracts the day after enactment, so that no other consumers face a threat to their health care coverage.

Sec. 2. Minnesota Statutes 1987 Supplement, section 62A.17, subdivision 6, is amended to read:

Subd. 6. [CONVERSION TO INDIVIDUAL POLICY.] A group insurance policy that provides posttermination or layoff coverage as required by this section shall also include a provision allowing a covered employee, surviving spouse, or dependent at the expiration of the posttermination or layoff coverage provided by subdivision 2 to obtain from the insurer offering the group policy or group subscriber contract, at the employee's, spouse's, or dependent's option and expense, without further evidence of insurability and without interruption of coverage, an individual policy of insurance or an individual subscriber contract providing at least the minimum benefits of a qualified plan as prescribed by section 62E.06 and the option of a number three qualified plan, a number two qualified plan, and a number one qualified plan as provided by section 62E.06, subdivisions 1 to 3, provided application is made to the insurer within 30 days following notice of the expiration of the continued coverage and upon payment of the appropriate premium. The required conversion contract must treat pregnancy the same as any other covered illness under the conversion contract. A health maintenance contract issued by a health maintenance organization that provides posttermination or layoff coverage as required by this section shall also include a provision allowing a former employee, surviving spouse, or dependent at the expiration of the posttermination or layoff coverage provided in subdivision 2 to obtain from the health maintenance organization, at the former employee's, spouse's, or dependent's option and expense, without further evidence of insurability and without interruption of coverage,

an individual health maintenance contract. Effective January 1, 1985, enrollees who have become nonresidents of the health maintenance organization's service area shall be given the option, to be arranged by the health maintenance organization, of a number three qualified plan, a number two qualified plan, or a number one qualified plan as provided by section 62E.06, subdivisions 1 to 3 ~~if an arrangement with an insurer can reasonably be made by the health maintenance organization~~. This option shall be made available at the enrollee's expense, without further evidence of insurability and without interruption of coverage.

A policy providing reduced benefits at a reduced premium rate may be accepted by the employee, the spouse, or a dependent in lieu of the optional coverage otherwise required by this subdivision.

The individual policy or contract shall be renewable at the option of the individual as long as the individual is not covered under another qualified plan as defined in section 62E.02, subdivision 4, up to age 65 or to the day before the date of eligibility for coverage under title XVIII of the Social Security Act, as amended. Any revisions in the table of rate for the individual policy shall apply to the covered person's original age at entry and shall apply equally to all similar policies issued by the insurer.

Sec. 3. Minnesota Statutes 1986, section 62D.07, is amended to read:

62D.07 [EVIDENCE OF COVERAGE.]

Subdivision 1. Every *health maintenance organization* enrollee residing in this state is entitled to evidence of coverage ~~under a health maintenance or contract~~. The health maintenance organization or its designated representative shall issue the evidence of coverage *or contract*.

Subd. 2. No evidence of coverage *or contract*, or amendment thereto shall be issued or delivered to any person in this state until a copy of the form of the evidence of coverage *or contract* or amendment thereto has been filed with the commissioner of health pursuant to section 62D.03 or 62D.08.

Subd. 3. ~~An evidence~~ *Contracts and evidences* of coverage shall contain:

(a) No provisions or statements which are unjust, unfair, inequitable, misleading, deceptive, or which are untrue, misleading or deceptive as defined in section 62D.12, subdivision 1; and

(b) A clear, concise and complete statement of:

(1) The health care services and the insurance or other benefits, if any, to which the enrollee is entitled under the health maintenance contract;

(2) Any exclusions or limitations on the services, kind of services, benefits, or kind of benefits, to be provided, including any deductible or copayment feature, *and requirements for referrals, prior authorizations, and second opinions*;

(3) Where and in what manner information is available as to how services, including emergency and out of area services, may be obtained;

(4) The total amount of payment and copayment, if any, for health care services and the indemnity or service benefits, if any, which the enrollee is obligated to pay with respect to individual contracts, or an indication whether the plan is contributory or noncontributory with respect to group certificates; and

(5) A description of the health maintenance organization's method for resolving enrollee complaints and a statement identifying the commissioner as an external source with whom grievances may be registered.

(c) On the cover page of the evidence of coverage and contract, a clear and complete statement of enrollees' rights as consumers, **including but not limited to a description of each of the following**. *The statement must be in bold print and captioned "Important Consumer Information and Enrollee Bill of Rights" and must include but not be limited to the following provisions in the following language or in substantially similar language approved in advance by the commissioner:*

CONSUMER INFORMATION

(1) **COVERED SERVICES**: *Services provided by (name of health maintenance organization) will be covered only if services are provided by participating (name of health maintenance organization) providers or authorized by (name of health maintenance organization). Your contract fully defines what services are covered and describes procedures you must follow to obtain coverage.*

(2) **PROVIDERS**: *Enrolling in (name of health maintenance organization) does not guarantee services by a particular provider on the list of providers. When a provider is no longer part of (name of health maintenance organization), you must choose among remaining (name of health maintenance organization) providers.*

(3) **REFERRALS**: *Certain covered benefits are covered only upon referral. See section (section number) of your contract for referral requirements. All referrals to non-(name of health maintenance organization) providers and certain types of health care providers must be authorized by (name of health maintenance organization).*

(4) **EMERGENCY SERVICES**: *Emergency services from providers who are not affiliated with (name of health maintenance organization) will be covered only if proper procedures are followed. Your contract explains the procedures and benefits associated with emergency care from (name of health maintenance organization) and non-(name of health maintenance organization) providers.*

(5) **EXCLUSIONS**: *Certain services or medical supplies are not covered. You should read the contract for a detailed explanation of all exclusions.*

(6) **CONTINUATION**: *You may convert to an individual health maintenance organization contract or continue coverage under certain circumstances. These continuation and conversion rights are explained fully in your contract.*

(7) **CANCELLATION**: *Your coverage may be canceled by you or (name of health maintenance organization) only under certain conditions. Your contract describes all reasons for cancellation of coverage.*

ENROLLEE BILL OF RIGHTS

(1) **based upon the delivery system of each health maintenance organization, a statement which describes any type of health care professional as defined in section 145.61, whose services may be available only by referral of the health maintenance organization's participating staff;**

(2) **Enrollees have the right to available and accessible services which can be secured as promptly as appropriate for the symptoms presented, in**

a manner which assures continuity and, when medically necessary, the right to including emergency services available, as defined in your contract, 24 hours a day and seven days a week;

(3) (2) Enrollees have the consumer's right to be informed of health problems, and to receive information regarding treatment alternatives and risks which is sufficient to assure informed choice;

(4) (3) Enrollees have the right to refuse treatment; and

(5) the right to privacy of medical and financial records maintained by the health maintenance organization and its health care providers, in accordance with existing law;

(6) (4) Enrollees have the right to file a grievance with the health maintenance organization and the commissioner of health and the right to initiate a legal proceeding when experiencing a problem with the health maintenance organization or its health care providers; and

(7) the right to initiate a legal proceeding when dissatisfied with the health maintenance organization's final determination regarding a grievance;

(8) the right of the enrollee and dependents to continue group coverage in the event the enrollee is terminated or laid off from employment, provided that the cost of such coverage is paid by the enrollee and furthermore, the right of the enrollee to convert to an individual contract at the end of the continuation period;

(9) the right for notification of enrollees regarding the cancellation or termination of contracts with participating primary care professionals, and the right to choose from among remaining participating primary care professionals;

(10) the right to cancel an individual health maintenance contract within ten days of its receipt and to have premiums paid refunded if, after examination of the contract, the individual is not satisfied with it for any reason. The individual is responsible for repaying the health maintenance organization for any services rendered or claims paid by the health maintenance organization during the ten days; and

(11) (5) Enrollees have the right to a grace period of 31 days for the payment of each premium for an individual health maintenance contract falling due after the first premium during which period the contract shall continue in force.

Subd. 4. Any subsequent approved change in an evidence of coverage shall be issued to each enrollee.

Subd. 5. A grace period of 31 days shall be granted for payment of each premium for an individual health maintenance contract falling due after the first premium, during which period the contract shall continue in force. Individual health maintenance organization contracts shall clearly state the existence of the grace period.

Subd. 6 5. Individual health maintenance contracts shall state that any person entering into an individual health maintenance contract may cancel the contract within ten days of its receipt and to have the premium paid refunded if, after examination of the contract, the individual is not satisfied with it for any reason. The individual is responsible for repaying the health maintenance organization for any services rendered or claims paid by the health maintenance organization during the ten days.

Subd. 6. The contract and evidence of coverage shall clearly explain the conditions upon which a health maintenance organization may terminate coverage.

Subd. 7. The contract and evidence of coverage shall clearly explain continuation and conversion rights afforded to enrollees.

Subd. 8. Individual and group contract holders shall be given 30 days' advance, written notice of any change in subscriber fees or benefits.

Subd. 9. Individual health maintenance organization contracts shall be delivered to enrollees no later than the date coverage is effective. For enrollees with group contracts, an evidence of coverage shall be delivered or issued for delivery not more than 15 days from the date the health maintenance organization is notified of the enrollment or the effective date of coverage, whichever is later.

Subd. 10. An individual health maintenance organization contract and an evidence of coverage must contain a department of health telephone number that the enrollee can call to register a complaint about a health maintenance organization.

Sec. 4. Minnesota Statutes 1987 Supplement, section 62D.08, subdivision 3, is amended to read:

Subd. 3. Such report shall be on forms prescribed by the commissioner of health, and shall include:

(a) A financial statement of the organization, including its balance sheet and receipts and disbursements for the preceding year certified by an independent certified public accountant, reflecting at least (1) all prepayment and other payments received for health care services rendered, (2) expenditures to all providers, by classes or groups of providers, and insurance companies or nonprofit health service plan corporations engaged to fulfill obligations arising out of the health maintenance contract, (3) expenditures for capital improvements, or additions thereto, including but not limited to construction, renovation or purchase of facilities and capital equipment, and (4) a supplementary statement of assets, liabilities, premium revenue, and expenditures for risk sharing business under section 62D.04, subdivision 1, on forms prescribed by the commissioner;

(b) The number of new enrollees enrolled during the year, the number of *group* enrollees and the number of *individual* enrollees as of the end of the year and the number of enrollees terminated during the year;

(c) A summary of information compiled pursuant to section 62D.04, subdivision 1, clause (c) in such form as may be required by the commissioner of health;

(d) A report of the names and addresses of all persons set forth in section 62D.03, subdivision 4, clause (c) who were associated with the health maintenance organization or the major participating entity during the preceding year, and the amount of wages, expense reimbursements, or other payments to such individuals for services to the health maintenance organization or the major participating entity, as those services relate to the health maintenance organization, including a full disclosure of all financial arrangements during the preceding year required to be disclosed pursuant to section 62D.03, subdivision 4, clause (d); ~~and~~

(e) A separate report addressing health maintenance contracts sold to

individuals covered by Medicare, Title XVIII of the Social Security Act, as amended, including the information required under section 62D.30, subdivision 6; and

(f) Such other information relating to the performance of the health maintenance organization as is reasonably necessary to enable the commissioner of health to carry out the duties under sections 62D.01 to 62D.29.

Sec. 5. Minnesota Statutes 1986, section 62D.08, subdivision 5, is amended to read:

Subd. 5. Every health maintenance organization shall inform the commissioner of any change in the information described in section 62D.03, subdivision 4, clause (e), including any change in address, any modification of the duration of any contract or agreement, and any addition to the list of participating entities, within ten working days of the notification of the change. Any cancellation or discontinuance of any contract or agreement listed in section 62D.03, subdivision 4, clause (e), or listed subsequently in accordance with this subdivision, shall be reported to the commissioner ~~within seven~~ *120 days before the effective date. When the health maintenance organization terminates a provider for cause, death, disability, or loss of license, the health maintenance organization must notify the commissioner within three* working days of the date the health maintenance organization sends out or receives the notice of cancellation or, discontinuance, or termination. Any health maintenance organization which fails to notify the commissioner within the time periods prescribed in this subdivision shall be subject to the levy of a fine up to \$100 per contract for each day the notice is past due, accruing up to the date the organization notifies the commissioner of the cancellation or discontinuance. Any fine levied under this subdivision is subject to the contested case and judicial review provisions of chapter 14. *The levy of a fine does not preclude the commissioner from using other penalties described in sections 62D.15 to 62D.17.*

Sec. 6. Minnesota Statutes 1986, section 62D.09, is amended to read:

62D.09 [INFORMATION TO ENROLLEES.]

Subdivision 1. Any written marketing materials which may be directed toward potential enrollees and which include a detailed description of benefits provided by the health maintenance organization shall include a statement of consumer *information and rights* as described in section 62D.07, subdivision 3, paragraph (c).

Subd. 2. The application for coverage by the health maintenance organization shall be accompanied by the statement of consumer *information and rights* as described in section 62D.07, subdivision 3, paragraph (c).

Subd. 3. Every health maintenance organization or its representative shall annually, before June 1, provide to its enrollees the following: (1) a summary of its most recent annual financial statement including a balance sheet and statement of receipts and disbursements; (2) a description of the health maintenance organization, its health care plan or plans, its facilities and personnel, any material changes therein since the last report; (3) the current evidence of coverage or contract; and (4) a statement of consumer *information and rights* as described in section 62D.07, subdivision 3, paragraph (c).

Subd. 4. *Health maintenance organizations which issue contracts to*

persons who are covered by Title XVIII of the Social Security Act (Medicare) must give the applicant, at the time of application, an outline containing at least the following information:

(1) a description of the principal benefits and coverage provided in the contract, including a clear description of nursing home and home care benefits covered by the health maintenance organization;

(2) a statement of the exceptions, reductions, and limitations contained in the contract;

(3) the following language: "This contract does not cover all skilled nursing home care or home care services and does not cover custodial or residential nursing care. Read your contract carefully to determine which nursing home facilities and home care services are covered by your contract, and what procedures you must follow to receive these benefits.";

(4) a statement of the renewal provisions including any reservation by the health maintenance organization of the right to change fees;

(5) a statement that the outline of coverage is a summary of the contract issued or applied for and that the contract should be read to determine governing contractual provisions; and

(6) a statement explaining that the enrollee's Medicare coverage is altered by enrollment with the health maintenance organization, if applicable.

Subd. 5. Health maintenance organizations shall provide enrollees with a list of the names and locations of participating providers to whom enrollees have direct access without referral no later than the effective date of enrollment or date the evidence of coverage is issued and upon request. Health maintenance organizations need not provide the names of their employed providers.

Subd. 6. Any list of providers issued by the health maintenance organization shall include the date the list was published and contain a bold type notice in a prominent location on the list of providers with the following language, or substantially similar language approved in advance by the commissioner:

"Enrolling in (name of health maintenance organization) does not guarantee services by a particular provider on this list. If you wish to be certain of receiving care from a specific provider listed, you should contact that provider to ask whether or not he or she is still a (name of health maintenance organization) provider and whether or not he or she is accepting additional patients."

Sec. 7. Minnesota Statutes 1986, section 62D.101, is amended to read:

62D.101 [CONTINUATION AND CONVERSION PRIVILEGES FOR FORMER SPOUSES AND CHILDREN.]

Subdivision 1. [TERMINATION OF COVERAGE.] No health maintenance contract which, in addition to covering an enrollee, also covers the enrollee's spouse shall contain a provision for termination of coverage for a spouse covered under the health maintenance contract solely as a result of a break in the marital relationship except by reason of an entry of a valid decree of dissolution of marriage between the parties.

Subd. 2. [CONVERSION PRIVILEGE.] Every health maintenance contract, as described in subdivision 1 shall contain a provision allowing a

former spouse and dependent children of an enrollee, without providing evidence of insurability, to obtain from the health maintenance organization at the expiration of any continuation of coverage required under subdivision 2a or ~~section sections~~ 62A.146 and 9, or upon termination of coverage by reason of an entry of a valid decree of dissolution which does not require the health maintenance organization to provide continued coverage for the former spouse, an individual health maintenance contract providing at least the minimum benefits of a qualified plan as prescribed by section 62E.06 and the option of a number three qualified plan, a number two qualified plan, a number one qualified plan as provided by section 62E.06, subdivisions 1 to 3, provided application is made to the health maintenance organization within 30 days following notice of the expiration of the continued coverage and upon payment of the appropriate fee. A contract providing reduced benefits at a reduced fee may be accepted by the former spouse and dependent children in lieu of the optional coverage otherwise required by this subdivision. The individual health maintenance contract shall be renewable at the option of the former spouse as long as the former spouse is not covered under another qualified plan as defined in section 62E.02, subdivision 4, up to age 65 or to the day before the date of eligibility for coverage under title XVIII of the Social Security Act, as amended. Any revisions in the table of rate for the individual contract shall apply to the former spouse's original age at entry, and shall apply equally to all similar contracts issued by the health maintenance organization.

Subd. 2a. [CONTINUATION PRIVILEGE.] Every health maintenance contract as described in subdivision 1 shall contain a provision which permits continuation of coverage under the contract for the enrollee's former spouse and children upon entry of a valid decree of dissolution of marriage; ~~if the decree requires the enrollee to provide continued coverage for these persons.~~ The coverage ~~may~~ shall be continued until the earlier of the following dates:

(a) The date of ~~remarriage of either the enrollee or the enrollee's former spouse the enrollee's former spouse becomes covered under another group plan or Medicare;~~ or

(b) The date coverage would otherwise terminate under the health maintenance contract.

If coverage is provided under a group policy, any required premium contributions for the coverage shall be paid by the enrollee on a monthly basis to the group contract holder to be paid to the health maintenance organization. In no event shall the fee charged exceed 102 percent of the cost to the plan for the period of coverage for other similarly situated spouses and dependent children when the marital relationship has not dissolved, regardless of whether the cost is paid by the employer or employee.

Subd. 3. [APPLICATION.] Subdivision 1 applies to every health maintenance contract which is delivered, issued for delivery, renewed or amended on or after July 19, 1977.

Subdivisions 2 and 2a apply to every health maintenance contract which is delivered, issued for delivery, renewed, or amended on or after March 1, 1983.

Sec. 8. [62D.104] [REQUIRED OUT-OF-AREA CONVERSION.]

Enrollees who have individual health maintenance organization contracts and who have become nonresidents of the health maintenance organization's service area but remain residents of the state of Minnesota shall be given the option, to be arranged by the health maintenance organization if an agreement with an insurer can reasonably be made, of a number three qualified plan, a number two qualified plan, or a number one qualified plan as provided by section 62E.06, subdivisions 1 to 3, or, if such enrollees are covered by Title XVIII of the Social Security Act (Medicare), they shall be given the option of a Medicare supplement plan as provided by sections 62A.31 to 62A.35.

This option shall be made available at the enrollee's expense, without further evidence of insurability and without interruption of coverage.

If a health maintenance organization cannot make arrangements for conversion coverage, the health maintenance organization shall notify enrollees of health plans available in other service areas.

Sec. 9. [62D.105] [COVERAGE OF CURRENT SPOUSE AND CHILDREN.]

Subdivision 1. [REQUIREMENT.] Every health maintenance contract, which in addition to covering the enrollee also provides coverage to the spouse and dependent children of the enrollee shall: (1) permit the spouse and dependent children to elect to continue coverage when the enrollee becomes enrolled for benefits under Title XVIII of the Social Security Act (Medicare); and (2) permit the dependent children to continue coverage when they cease to be dependent children under the generally applicable requirement of the plan.

Subd. 2. [CONTINUATION PRIVILEGE.] The coverage described in subdivision 1 may be continued until the earlier of the following dates:

(1) the date coverage would otherwise terminate under the contract;

(2) 36 months after continuation by the spouse or dependent was elected;

or

(3) the date the spouse or dependent children become covered under another group health plan or Medicare.

If coverage is provided under a group policy, any required fees for the coverage shall be paid by the enrollee on a monthly basis to the group contract holder for remittance to the health maintenance organization. In no event shall the fee charged exceed 102 percent of the cost to the plan for such coverage for other similarly situated spouse and dependent children to whom subdivision 1 is not applicable, without regard to whether such cost is paid by the employer or employee.

Sec. 10. Minnesota Statutes 1986, section 62D.11, is amended to read:

62D.11 [COMPLAINT SYSTEM.]

Subdivision 1. Every health maintenance organization shall establish and maintain a complaint system including an impartial arbitration provision, to provide reasonable procedures for the resolution of written complaints initiated by enrollees concerning the provision of health care services. "Provision of health services" includes, but is not limited to, questions of the scope of coverage, quality of care, and administrative operations. Arbitration shall be subject to chapter 572, except (a) in the event that an enrollee elects to litigate a complaint prior to submission to arbitration,

and (b) no medical malpractice damage claim shall be subject to arbitration unless agreed to by both parties subsequent to the event giving rise to the claim.

Subd. 1a. Where a complaint involves a dispute about a health maintenance organization's coverage of an immediately and urgently needed service, the commissioner may either (a) review the complaint and any information and testimony necessary in order to make a determination and order the appropriate remedy pursuant to sections 62D.15 to 62D.17, or (b) order the health maintenance organization to use an expedited system to process the complaint.

Subd. 2. The health maintenance organization shall maintain a record of each written complaint filed with it for ~~three~~ five years and the commissioner of health shall have access to the records.

Sec. 11. Minnesota Statutes 1986, section 62D.12, subdivision 2, is amended to read:

Subd. 2. No health maintenance organization may cancel or fail to renew the coverage of an enrollee except for (a) failure to pay the charge for health care coverage; (b) termination of the health care plan; (c) termination of the group plan; (d) enrollee moving out of the area served, subject to section 62A.17, subdivisions 1 and 6, and section 8; (e) enrollee moving out of an eligible group, subject to section 62A.17, subdivisions 1 and 6, and section 8; (f) failure to make copayments required by the health care plan; or (g) other reasons established in rules promulgated by the commissioner of health.

An enrollee Subd. 2a. Enrollees shall be given 30 days notice of any cancellation or nonrenewal, except that enrollees who are eligible to receive replacement coverage under section 13, subdivision 1, shall receive 90 days notice as provided under section 13, subdivision 5.

Sec. 12. Minnesota Statutes 1986, section 62D.12, is amended by adding a subdivision to read:

Subd. 14. Each health maintenance organization shall establish a telephone number, which need not be toll free, that providers may call with questions about coverage, prior authorization, and approval of medical services. The telephone number must be staffed by an employee of the health maintenance organization during normal working hours during the normal work week. After normal working hours, the telephone number must be equipped with an answering machine and recorded message to allow the caller an opportunity to leave a message. The health maintenance organization must respond to questions within 24 hours after they are received, excluding weekends and holidays. At the request of a provider, the health maintenance organization shall provide a copy of the health maintenance contract for enrollees in the provider's service area.

Sec. 13. [62D.121] [REQUIRED REPLACEMENT COVERAGE.]

Subdivision 1. When membership of an enrollee who has individual health coverage is terminated by the health maintenance organization for a reason other than (a) failure to pay the charge for health care coverage; (b) failure to make copayments required by the health care plan; (c) enrollee moving out of the area served; or (d) a materially false statement or misrepresentation by the enrollee in the application for membership, the health maintenance organization must offer or arrange to offer replacement

coverage, without evidence of insurability, without preexisting condition exclusions, and without interruption of coverage.

Subd. 2. If the health maintenance organization has terminated individuals from coverage in a service area, the replacement coverage shall be health maintenance organization coverage issued by the health maintenance organization terminating coverage unless the health maintenance organization can demonstrate to the commissioner that offering health maintenance organization replacement coverage would not be feasible. In making the determination, the commissioner shall consider (1) loss ratios and forecasts, (2) lack of agreements between health care providers and the health maintenance organization to offer that product, (3) evidence of anticipated premium needs compared with established rates, (4) the financial impact of the replacement coverage on the overall financial solvency of the plan, and (5) the cost to the enrollee of health maintenance organization replacement coverage as compared to cost to the enrollee of the replacement coverage required under subdivision 3 of this section.

Subd. 3. If replacement coverage is not provided by the health maintenance organization, as explained under subdivision 2, the replacement coverage shall provide, for enrollees covered by Title XVIII of the Social Security Act, coverage at least equivalent to a Medicare supplement two plan as defined in section 62A.34, except that the replacement coverage shall also cover the liability for any Medicare Part A and Part B deductible as defined under Title XVIII of the Social Security Act. After satisfaction of the Medicare Part B deductible, the replacement coverage shall be based on 120 percent of the Medicare Part B eligible expenses less the Medicare Part B payment amount. The fee or premium of the replacement coverage shall not exceed the premium charged by the state comprehensive health plan as established under section 62E.08, for a qualified Medicare supplement plan. All enrollees not covered by Medicare shall be given the option of a number three qualified plan or a number two qualified plan as defined in section 62E.06, subdivisions 1 and 2; for replacement coverage. The fee or premium for a number three qualified plan shall not exceed 125 percent of the average of rates charged by the five insurers with the largest number of individuals in a number three qualified plan of insurance in force in Minnesota. The fee or premium for a number two qualified plan shall not exceed 125 percent of the average of rates charged by the five insurers with the largest number of individuals in a number two qualified plan of insurance in force in Minnesota.

If the replacement coverage is health maintenance organization coverage, the fee shall not exceed 125 percent of the cost of the average fee charged by health maintenance organizations for a similar health plan. The commissioner of health will determine the average cost of the plan on the basis of information provided annually by the health maintenance organizations concerning the rates charged by the health maintenance organizations for the plans offered. Fees or premiums charged under this section must be actuarially justified.

Subd. 4. The commissioner will approve or disapprove the replacement coverage within 30 days. A health maintenance organization shall not give enrollees a notice of cancellation of coverage until a replacement policy has been filed with the commissioner and approved or disapproved.

Subd. 5. The health maintenance organization must provide the terminated enrollees with a notice of cancellation 90 days before the date the

cancellation takes effect. If the replacement coverage is approved by the commissioner under subdivision 4, the notice shall clearly and completely describe the replacement coverage that the enrollees are eligible to receive and explain the procedure for enrolling. If the replacement coverage is not approved by the commissioner, the health maintenance organization shall provide a cancellation notice with information that the enrollee is entitled to enroll in the state comprehensive health insurance plan with a waiver of the waiting period for preexisting conditions under section 62E.14, subdivisions 1, paragraph (d), and 6.

Subd. 6. The commissioner may waive the notice required in this section if the commissioner determines that the health maintenance organization has not received information regarding Medicare reimbursement rates from the Health Care Financing Administration before September 1 for contracts renewing on January 1 of the next year. In no event shall enrollees covered by Title XVIII of the Social Security Act receive less than 60 days' notice of contract termination.

Subd. 7. [GEOGRAPHIC ACCESSIBILITY.] If the commissioner determines that there are not enough providers to assure that enrollees have accessible health services available in a geographic service area, the commissioner shall institute a plan of corrective action that shall be followed by the health maintenance organization. Such a plan may include but not be limited to requiring the health maintenance organization to make payments to nonparticipating providers for health services for enrollees, requiring the health maintenance organization to discontinue accepting new enrollees in that service area, and requiring the health maintenance organization to reduce its geographic service area. If a nonparticipating provider has been a participating provider with the health maintenance organization within the last year, any payments made under this section must not exceed the payment level of the previous contract unless the commissioner determines that without adjusting payments the health maintenance organization will be unable to meet the health care needs of enrollees in the area.

Sec. 14. [62D.122] [MEDIATION.]

When current parties to a health maintenance organization contract between providers of health care services and the health maintenance organization believe they will be unable to reach agreement on the terms of renewal or maintenance of the agreement, either party may request the commissioner of health to order that the dispute be submitted to mediation. The parties to the dispute shall enter mediation upon the order of the commissioner of health. Whether or not a request for mediation from one of the parties has been received, the commissioner shall order mediation if failure to reach agreement would significantly impair access to health care services on the part of current enrollees of that health maintenance organization. In determining whether access to health care services for current enrollees will be significantly impaired, the commissioner shall consider:

(1) the number of enrollees affected,

(2) the ability of the plan to make alternate arrangements with other participating providers for the provision of health care services to the affected enrollees,

(3) the availability of nonparticipating providers who may become participating providers for those with whom the health maintenance organization is in dispute,

(4) the time remaining until termination of the provider contract, and

(5) whether failure to resolve the dispute may establish a precedent for similar disputes in other parts of the state or might impede competition among health plans.

During the period in which the dispute is in mediation, no action to terminate provider or enrollee contracts may be taken by either party. Participation in mediation shall be required of all parties for a period of not more than 30 days. Notice of termination of provider agreements, as required under section 5, shall take effect no earlier than 31 days after the first day of mediation under this section.

When mediation is ordered by the commissioner, arrangements for mediation shall be made through either the office of dispute resolution in the state planning agency, or the office of administrative hearings.

Costs of the mediation shall be borne equally by the health maintenance organization and the health care providers unless otherwise agreed to by the parties. The office of administrative hearings shall establish rates for mediation services comparable to those charged by mediators listed with the office of dispute resolution.

The mediator shall not have authority to impose a settlement or otherwise bind a participant to a nonvoluntary resolution of the dispute; however, any agreement reached as a result of the mediation shall be enforceable.

Except as otherwise provided under chapter 13 and sections 62D.03 and 62D.14, the commissioner shall make public the results of any mediation agreement.

Sec. 15. Minnesota Statutes 1986, section 62D.17, subdivision 1, is amended to read:

Subdivision 1. The commissioner of health may, for any violation of statute or rule applicable to a health maintenance organization, or in lieu of suspension or revocation of a certificate of authority under section 62D.15, levy an administrative penalty in an amount up to \$10,000 for each violation. In the case of contracts or agreements made pursuant to section 62D.05, subdivisions 2 to 4, each contract or agreement entered into or implemented in a manner which violates sections 62D.01 to 62D.29 shall be considered a separate violation. Reasonable notice in writing to the health maintenance organization shall be given of the intent to levy the penalty and the reasons therefor, and the health maintenance organization may have a reasonable time 15 days within which to remedy the defect in its operations which gave rise to the penalty citation, or have file a written request for an administrative hearing and review of the commissioner of health's determination. Such administrative hearing shall be subject to judicial review pursuant to chapter 14.

Sec. 16. Minnesota Statutes 1986, section 62D.20, is amended to read:

62D.20 [RULES.]

Subdivision 1. The commissioner of health may, pursuant to chapter 14, promulgate such reasonable rules as are necessary or proper to carry out

the provisions of sections 62D.01 to 62D.29. Included among such rules shall be those which provide minimum requirements for the provision of comprehensive health maintenance services, as defined in section 62D.02, subdivision 7, and reasonable exclusions therefrom. Nothing in such rules shall force or require a health maintenance organization to provide elective, induced abortions, except as medically necessary to prevent the death of the mother, whether performed in a hospital, other abortion facility, or the office of a physician; the rules shall provide every health maintenance organization the option of excluding or including elective, induced abortions, except as medically necessary to prevent the death of the mother, as part of its comprehensive health maintenance services.

Subd. 2. The commissioner shall adopt rules that address the issue of appropriate prior authorization requirements, considering consumer needs, administrative concerns, and the nature of the benefit.

Sec. 17. Minnesota Statutes 1986, section 62E.11, is amended by adding a subdivision to read:

Subd. 9. Each contributing member that terminates individual health coverage regulated under chapter 62A, 62C, 62D, or 64B for reasons other than (a) nonpayment of premium; (b) failure to make copayments; (c) enrollee moving out of the area served; or (d) a materially false statement or misrepresentation by the enrollee in the application for membership; and does not provide or arrange for replacement coverage that meets the requirements of section 13; shall pay a special assessment to the state plan based upon the number of terminated individuals who join the comprehensive health insurance plan as authorized under section 62E.14, subdivision 1, paragraph (d), and section 21. Such a contributing member shall pay the association an amount equal to the average cost of an enrollee in the state plan in the year in which the member terminated enrollees, multiplied by the total number of terminated enrollees who enroll in the state plan.

The average cost of an enrollee in the state comprehensive health insurance plan shall be determined by dividing the state plan's total annual losses by the total number of enrollees from that year. This cost will be assessed to the contributing member who has terminated health coverage before the association makes the annual determination of each contributing member's liability as required under this section.

In the event that the contributing member is terminating health coverage because of a loss of health care providers, the commissioner may review whether or not the special assessment established under this subdivision will have an adverse impact on the contributing member or its enrollees or insureds, including but not limited to causing the contributing member to fall below statutory net worth requirements. If the commissioner determines that the special assessment would have an adverse impact on the contributing member or its enrollees or insureds, the commissioner may adjust the amount of the special assessment, or establish alternative payment arrangements to the state plan. For health maintenance organizations regulated under chapter 62D, the commissioner of health shall make the determination regarding any adjustment in the special assessment and shall transmit that determination to the commissioner of commerce.

Sec. 18. Minnesota Statutes 1986, section 62E.11, is amended by adding a subdivision to read:

Subd. 10. Any contributing members who have terminated individual health plans and do not provide or arrange for replacement coverage that meets the requirements of section 13, and whose former insureds or enrollees enroll in the state comprehensive health insurance plan with a waiver of the preexisting conditions pursuant to section 62E.14, subdivision 1, paragraph (d), and section 21, will be liable for the costs of any preexisting conditions of their former enrollees or insureds treated during the first six months of coverage under the state plan. The liability for preexisting conditions will be assessed before the association makes the annual determination of each contributing member's liability as required under this section.

Sec. 19. Minnesota Statutes 1986, section 62E.14, subdivision 1, is amended to read:

Subdivision 1. [CERTIFICATE, CONTENTS.] The comprehensive health insurance plan shall be open for enrollment by eligible persons. An eligible person shall enroll by submission of a certificate of eligibility to the writing carrier. The certificate shall provide the following:

- (a) Name, address, age, and length of time at residence of the applicant;
- (b) Name, address, and age of spouse and children if any, if they are to be insured;

(c) Evidence of rejection, a requirement of restrictive riders, a rate up, or a preexisting conditions limitation on a qualified plan, the effect of which is to substantially reduce coverage from that received by a person considered a standard risk, by at least one association members within six months of the date of the certificate, or other eligibility requirements adopted by rule by the commissioner which are not inconsistent with this chapter and which evidence that a person is unable to obtain coverage substantially similar to that which may be obtained by a person who is considered a standard risk;

(d) ~~Evidence that the applicant meets the eligibility requirements of section 62E.081, subdivision 1; and~~ *If the applicant has been terminated from individual health coverage which does not provide replacement coverage, evidence that no replacement coverage that meets the requirements of section 13 was offered, and evidence of termination of individual health coverage by an insurer, nonprofit health service plan corporation, or health maintenance organization provided that the contract or policy has been terminated for reasons other than (1) failure to pay the charge for health care coverage; (2) failure to make copayments required by the health care plan; (3) enrollee moving out of the area served; or (4) a materially false statement or misrepresentation by the enrollee in the application for membership; and*

- (e) A designation of the coverage desired.

An eligible person may not purchase more than one policy from the state plan. Upon ceasing to be a resident of Minnesota a person is no longer eligible to purchase or renew coverage under the state plan.

Sec. 20. Minnesota Statutes 1986, section 62E.14, subdivision 3, is amended to read:

Subd. 3. [PREEXISTING CONDITIONS.] No person who obtains coverage pursuant to this section shall be covered for any preexisting condition during the first six months of coverage under the state plan if the person

was diagnosed or treated for that condition during the 90 days immediately preceding the filing of an application *except as provided under subdivisions 4 and 5, and section 21.*

Sec. 21. Minnesota Statutes 1986, section 62E.14, is amended by adding a subdivision to read:

Subd. 6. A Minnesota resident who holds an individual health maintenance contract, individual nonprofit health service corporation contract, or an individual insurance policy previously approved by the commissioners of health or commerce, may enroll in the comprehensive health insurance plan with a waiver of the preexisting condition as described in subdivision 3, without interruption in coverage, provided (1) no replacement coverage that meets the requirements of section 13 was offered by the contributing member, and (2) the policy or contract has been terminated for reasons other than (a) nonpayment of premium; (b) failure to make copayments required by the health care plan; (c) moving out of the area served; or (d) a materially false statement or misrepresentation by the enrollee in the application for membership; and, provided further, that the option to enroll in the plan is exercised within 30 days of termination of the existing policy or contract.

Coverage allowed under this section is effective on the date of termination, when the contract or policy is terminated and the enrollee has completed the proper application and paid the required premium or fee.

Expenses incurred from the preexisting conditions of individuals enrolled in the state plan under this subdivision must be paid by the contributing member canceling coverage as set forth in section 18.

The application must include evidence of termination of the existing policy or certificate as required in subdivision 1.

Sec. 22. Minnesota Statutes 1986, section 62E.16, is amended to read:

62E.16 [CONVERSION PRIVILEGES.]

Every program of self-insurance, policy of group accident and health insurance or contract of coverage by a health maintenance organization written or renewed in this state, shall include, in addition to the provisions required by section 62A.17, the right to convert to an individual coverage qualified plan without the addition of underwriting restrictions if the individual insured leaves the group regardless of the reason for leaving the group, or upon cancellation or termination of the coverage for the group except where uninterrupted and continuous group coverage is otherwise provided to the group. *If the health maintenance organization has canceled coverage for the group because of a loss of providers in a service area, the health maintenance organization shall arrange for other health maintenance or indemnity conversion options that shall be offered to enrollees without the addition of underwriting restrictions.* The required conversion contract must treat pregnancy the same as any other covered illness under the conversion contract. The person may exercise this right to conversion within 30 days of leaving the group or within 30 days following receipt of due notice of cancellation or termination of coverage of the group and upon payment of premiums from the date of termination or cancellation. Due notice of cancellation or termination of coverage for a group shall be provided to each employee having coverage in the group by the insurer, self-insurer or health maintenance organization canceling or terminating the coverage except where reasonable evidence indicates that uninterrupted

and continuous group coverage is otherwise provided to the group. Every employer having a policy of group accident and health insurance, group subscriber or contract of coverage by a health maintenance organization shall, upon request, provide the insurer or health maintenance organization a list of the names and addresses of covered employees. Plans of health coverage shall also include a provision which, upon the death of the individual in whose name the contract was issued, permits every other individual then covered under the contract to elect, within the period specified in the contract, to continue coverage under the same or a different contract without the addition of underwriting restrictions until the individual would have ceased to have been entitled to coverage had the individual in whose name the contract was issued lived. An individual conversion contract issued by a health maintenance organization shall not be deemed to be an individual enrollment contract for the purposes of section 62D.10.

Sec. 23. [REQUIRED STUDIES.]

Subdivision 1. The commission on health plan regulatory reform created in Laws 1987, chapter 370, article 1, section 11, shall make recommendations for expedited review mechanisms for complaints concerning health maintenance organization coverage of an immediately and urgently needed service.

Subd. 2. The board of the Minnesota comprehensive health association shall conduct a study examining the plan options currently offered by the association, in order to determine whether provision of additional plan options would better meet the needs of current and future enrollees. The board shall report its findings to the legislature and the commissioner of health and the commissioner of commerce by February 15, 1989.

Sec. 24. [REPEALER.]

Laws 1984, chapter 464, sections 29 and 40, are repealed. Section 14 is repealed June 30, 1990.

Sec. 25. [EFFECTIVE DATE.]

Sections 11, 13, 14, 17, 18, 19, 20, 21, and 22 are effective the day following final enactment. Section 3, subdivision 3, paragraph (c), is effective January 1, 1989."

Delete the title and insert:

"A bill for an act relating to health maintenance organizations; insurance; requiring replacement coverage in the event an HMO cancels coverage; increasing state comprehensive health plan liabilities in the event a member terminates coverage; allowing for mediation of disputes about health maintenance organization agreements; allowing interest on unpaid charges; increasing health maintenance organization notice requirements and annual reporting requirements; amending Minnesota Statutes 1986, sections 62D.07; 62D.08, subdivision 5; 62D.09; 62D.101; 62D.11; 62D.12, subdivision 2, and by adding a subdivision; 62D.17, subdivision 1; 62D.20; 62E.11, by adding subdivisions; 62E.14, subdivisions 1, 3, and by adding a subdivision; 62E.16; Minnesota Statutes 1987 Supplement, sections 62A.17, subdivision 6; and 62D.08, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 62D; repealing Laws 1984, chapter 464, sections 29 and 40."

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) James C. Pehler, Linda Berglin, John E. Brandl

House Conferees: (Signed) Clair L. Nelson, Ann Wynia, Bob Anderson

Mr. Pehler moved that the foregoing recommendations and Conference Committee Report on S.F. No. 1861 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 1861 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Decker	Jude	Metzen	Samuelson
Anderson	DeCramer	Knaak	Moe, D.M.	Schmitz
Belanger	Dicklich	Knutson	Moe, R.D.	Solon
Benson	Diessner	Laidig	Morse	Spear
Berg	Frank	Langseth	Novak	Storm
Berglin	Frederick	Lantry	Olson	Taylor
Bernhagen	Frederickson, D.J.	Larson	Pehler	Vickerman
Bertram	Frederickson, D.R.	Lessard	Peterson, R.W.	Waldorf
Brandl	Freeman	Luther	Piper	Wegscheid
Brataas	Gustafson	Marty	Purfeerst	
Cohen	Hughes	McQuaid	Ramstad	
Dahl	Johnson, D.E.	Mehrkens	Reichgott	
Davis	Johnson, D.J.	Merriam	Renneke	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated the General Orders Calendar a Special Orders Calendar to be heard immediately.

SPECIAL ORDER

S.F. No. 1799: A bill for an act relating to taxation; exempting the University of Minnesota and state universities and colleges from the sales and use tax; amending Minnesota Statutes 1987 Supplement, section 297A.25, subdivision 11.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 57 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Decker	Jude	Moe, D.M.	Renneke
Anderson	DeCramer	Knaak	Moe, R.D.	Samuelson
Beckman	Dicklich	Knutson	Morse	Schmitz
Belanger	Frank	Laidig	Novak	Spear
Benson	Frederick	Langseth	Olson	Storm
Berglin	Frederickson, D.J.	Lantry	Pehler	Stumpf
Bernhagen	Frederickson, D.R.	Larson	Peterson, D.C.	Vickerman
Brandl	Freeman	Luther	Peterson, R.W.	Waldorf
Brataas	Gustafson	Marty	Piper	Wegscheid
Cohen	Hughes	Mehrrens	Pogemiller	
Dahl	Johnson, D.E.	Merriam	Ramstad	
Davis	Johnson, D.J.	Metzen	Reichgott	

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1672: A bill for an act relating to housing; repealing the expiration date of housing and redevelopment authorities' power to provide interest reduction assistance; repealing Minnesota Statutes 1987 Supplement, section 469.012, subdivision 10.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 56 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	Merriam	Renneke
Anderson	Davis	Johnson, D.J.	Metzen	Solon
Beckman	Decker	Jude	Moe, R.D.	Spear
Belanger	DeCramer	Knaak	Morse	Storm
Benson	Diessner	Knutson	Novak	Stumpf
Berg	Frank	Langseth	Olson	Vickerman
Berglin	Frederick	Lantry	Pehler	Waldorf
Bernhagen	Frederickson, D.J.	Larson	Peterson, R.W.	Wegscheid
Brandl	Frederickson, D.R.	Lessard	Piper	
Brataas	Freeman	Luther	Purfeerst	
Chmielewski	Gustafson	Marty	Ramstad	
Cohen	Hughes	McQuaid	Reichgott	

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1706: A bill for an act relating to taxation; property; allowing transfers of land to governmental subdivisions or the state or federal government without payment of tax on the entire parcel; amending Minnesota Statutes 1987 Supplement, section 272.121.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 58 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Decker	Jude	Metzen	Reichgott
Anderson	DeCramer	Knaak	Moe, D.M.	Renneke
Beckman	Diessner	Knutson	Moe, R.D.	Solon
Belanger	Frank	Laidig	Morse	Spear
Berg	Frederick	Langseth	Novak	Storm
Berglin	Frederickson, D.J.	Lantry	Olson	Stumpf
Bernhagen	Frederickson, D.R.	Larson	Pehler	Taylor
Bertram	Freeman	Lessard	Peterson, R.W.	Vickerman
Brandl	Gustafson	Luther	Piper	Waldorf
Brataas	Hughes	Marty	Pogemiller	Wegscheid
Dahl	Johnson, D.E.	McQuaid	Purfeerst	
Davis	Johnson, D.J.	Merriam	Ramstad	

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 1796: A bill for an act relating to counties; exempting the issuance of certain county bonds from the election requirement; authorizing county building fund levies; amending Minnesota Statutes 1986, sections 373.25, subdivision 1; 475.52, subdivision 3; and 475.58, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 373.

Mr. Novak moved that H.F. No. 1796 be laid on the table. The motion prevailed.

SPECIAL ORDER

H.F. No. 2546: A bill for an act relating to commerce; regulating preparation of certain information for membership camping contract applications and subdivider qualification statements; prohibiting certain misleading and deceptive practices; prohibiting advance payments relating to resale of time share property interests; amending Minnesota Statutes 1986, sections 83.29, subdivisions 2 and 5; and 83.44; Minnesota Statutes 1987 Supplement, sections 82A.04, subdivision 2; 82A.09, subdivision 3; and 83.23, subdivision 3; repealing Minnesota Statutes 1986, section 82A.09, subdivision 1.

Mr. Solon moved that the amendment made to H.F. No. 2546 by the Committee on Rules and Administration in the report adopted March 28, 1988, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

H.F. No. 2546 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 52 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Knaak	Novak	Schmitz
Anderson	Decker	Laidig	Olson	Solon
Beckman	Diessner	Lantry	Pehler	Spear
Belanger	Frank	Larson	Peterson, D.C.	Storm
Benson	Frederickson, D.J.	Lessard	Peterson, R.W.	Stumpf
Berglin	Frederickson, D.R.	Luther	Piper	Vickerman
Bernhagen	Freeman	Marty	Purfeerst	Waldorf
Bertram	Gustafson	McQuaid	Ramstad	Wegscheid
Brandl	Hughes	Mehrrens	Reichgott	
Brataas	Johnson, D.E.	Metzen	Renneke	
Cohen	Jude	Morse	Samuelson	

Mr. Merriam voted in the negative.

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 2086: A bill for an act relating to motor vehicles; removing language regarding restricted gasoline fill pipes; amending Minnesota Statutes 1986, section 325E.0951.

Mr. Wegscheid moved that the amendment made to H.F. No. 2086 by the Committee on Rules and Administration in the report adopted March 28, 1988, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

H.F. No. 2086 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 56 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Knaak	Moe, R.D.	Solon
Anderson	Dahl	Knutson	Morse	Spear
Beckman	Decker	Kroening	Novak	Storm
Belanger	Diessner	Laidig	Olson	Stumpf
Benson	Frank	Langseth	Peterson, D.C.	Taylor
Berg	Frederick	Lantry	Peterson, R.W.	Vickerman
Berglin	Frederickson, D.J.	Larson	Piper	Waldorf
Bernhagen	Frederickson, D.R.	Lessard	Ramstad	Wegscheid
Bertram	Freeman	Luther	Reichgott	
Brandl	Hughes	McQuaid	Renneke	
Brataas	Johnson, D.E.	Merriam	Samuelson	
Chmielewski	Jude	Metzen	Schmitz	

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 1943: A bill for an act relating to state lands; permitting the sale of certain tax-forfeited lands that border public waters in the city of Aitkin.

Mr. Chmielewski moved to amend H.F. No. 1943, as amended pursuant to Rule 49, adopted by the Senate March 17, 1988, as follows:

(The text of the amended House File is identical to S.F. No. 1722.)

Page 1, after line 19, insert:

“Sec. 2. [EXCHANGE OF TAX-FORFEITED PEAT LANDS; AITKIN COUNTY.]

Notwithstanding Minnesota Statutes, sections 92.461 and 94.347, Aitkin county may exchange certain tax-forfeited land containing peat and described in paragraph (a), for certain privately owned lands containing peat and described in paragraph (b), in accordance with this section.

The lands described in this section must be conveyed in a form approved by the attorney general.

(a) The tax-forfeited lands, consisting of approximately 120 acres, to be exchanged are described as follows:

(1) the Southeast Quarter of the Northwest Quarter of Section 33, Township 46, Range 23;

(2) the Southwest Quarter of the Southwest Quarter of Section 33, Township 46, Range 23; and

(3) the Northwest Quarter of the Northeast Quarter of Section 33, Township 46, Range 23.

(b) The privately owned lands, consisting of approximately 163 acres, are described as follows:

(1) the Northeast Quarter of the Northwest Quarter of Section 14, Township 48, Range 24;

(2) the East 80 Rods of Government Lot 3 of Section 22, Township 48, Range 24;

(3) the West 1/2 of the Northwest Quarter of the Southeast Quarter of Section 22, Township 48, Range 24;

(4) the Southeast Quarter of the Southwest Quarter lying South of the Soo Line Railroad right-of-way of Section 15, Township 48, Range 24;

(5) the Southwest Quarter of the Southeast Quarter lying South of the Soo Line Railroad right-of-way of Section 15, Township 48, Range 24; and

(6) the Northeast Quarter of the Northeast Quarter of Section 15, Township 46, Range 23.

The lands to be exchanged contain approximately equal volumes of peat."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, before the period, insert " ; providing for exchange of tax-forfeited peat lands in Aitkin county"

The motion prevailed. So the amendment was adopted.

H.F. No. 1943 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 52 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.E.	Morse	Solon
Anderson	Decker	Jude	Novak	Spear
Beckman	Dicklich	Knutson	Olson	Storm
Belanger	Diessner	Langseth	Peterson, D.C.	Stumpf
Berg	Frank	Lantry	Peterson, R.W.	Taylor
Berglin	Frederick	Larson	Piper	Vickerman
Bernhagen	Frederickson, D.J.	Lessard	Ramstad	Waldorf
Bertram	Frederickson, D.R.	Luther	Reichgott	Wegscheid
Brandl	Freeman	Marty	Renneke	
Brataas	Gustafson	McQuaid	Samuelson	
Schmielewski	Hughes	Merriam	Schmitz	

Mr. Dahl voted in the negative.

So the bill, as amended, passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1815: A bill for an act relating to animals; prohibiting transportation of certain animals in open vehicles; prohibiting leaving animals unattended in motor vehicles in an unsafe or dangerous manner and authorizing their removal by peace officers and fire and rescue officials; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 346.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 52 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Hughes	Marty	Samuelson
Anderson	Dahl	Jude	McQuaid	Schmitz
Beckman	Davis	Knaak	Metzen	Spear
Belanger	Decker	Knutson	Morse	Storm
Berg	Dicklich	Kroening	Novak	Taylor
Berglin	Diessner	Laidig	Olson	Vickerman
Bernhagen	Frank	Langseth	Peterson, D.C.	Waldorf
Bertram	Frederick	Lantry	Peterson, R.W.	Wegscheid
Brandl	Frederickson, D.R.	Larson	Piper	
Brataas	Freeman	Lessard	Ramstad	
Chmielewski	Gustafson	Luther	Reichgott	

Messrs. Merriam and Stumpf voted in the negative.

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 2107: A bill for an act relating to crimes; expanding aggravated robbery and burglary in the first degree to include crimes committed with an article that appears to be a dangerous weapon; creating a felony offense of terrorizing with a replica firearm; amending Minnesota Statutes 1986, sections 609.245; 609.582; and 609.713, by adding a subdivision.

Mr. Luther moved to amend S.F. No. 2107 as follows:

Page 2, line 21, after "*object*" insert "*that is not defined as a dangerous weapon, and*"

Page 2, line 22, delete everything before "*a*" and insert "*and reasonably appears to be*"

Page 2, line 24, delete everything after "*firearm*" and insert a period

Page 2, delete line 25

The motion prevailed. So the amendment was adopted.

S.F. No. 2107 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Metzen	Samuelson
Anderson	Decker	Knutson	Moe, D.M.	Schmitz
Beckman	DeCramer	Kroening	Moe, R.D.	Spear
Belanger	Dicklich	Laidig	Morse	Storm
Berg	Diessner	Langseth	Novak	Stumpf
Berglin	Frank	Lantry	Olson	Taylor
Bernhagen	Frederickson, D.J.	Larson	Peterson, D.C.	Vickerman
Bertram	Frederickson, D.R.	Lessard	Peterson, R.W.	Waldorf
Brandl	Freeman	Luther	Piper	Wegscheid
Brataas	Gustafson	Marty	Pogemiller	
Chmielewski	Hughes	McQuaid	Ramstad	
Cohen	Johnson, D.E.	Mehrkens	Reichgott	
Dahl	Jude	Merriam	Renneke	

So the bill, as amended, passed and its title was agreed to.

Mr. Novak moved that H.F. No. 1796 be taken from the table. The motion prevailed.

SPECIAL ORDER

H.F. No. 1796: A bill for an act relating to counties; exempting the issuance of certain county bonds from the election requirement; authorizing county building fund levies; amending Minnesota Statutes 1986, sections 373.25, subdivision 1; 475.52, subdivision 3; and 475.58, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 373.

Ms. Peterson, D.C. moved to amend H.F. No. 1796, as amended pursuant to Rule 49, adopted by the Senate March 29, 1988, as follows:

(The text of the amended House File is identical to S.F. No. 1877.)

Page 4, line 22, after "county" insert ", other than Hennepin,"

Page 4, line 27, after the period, insert "*Hennepin county may not issue bonds under this section if the maximum amount of principal and interest to become due in any year on all the outstanding bonds issued pursuant to this section together with the bonds proposed to be issued, will equal or exceed one-half mill multiplied by the taxable assessed value of the property in the county.*"

Page 5, line 1, delete "the" and insert "a" and after "county" insert "*other than Hennepin*"

Page 5, line 4, after the period, insert "*If the Hennepin county board has an approved capital improvement plan, the county board may annually levy an amount equal to one-half mill, less the amount levied to pay principal and interest on bonds issued under this section.*"

The motion prevailed. So the amendment was adopted.

Mr. Freeman moved to amend H.F. No. 1796, as amended pursuant to Rule 49, adopted by the Senate March 29, 1988, as follows:

(The text of the amended House File is identical to S.F. No. 1877.)

Page 2, line 8, delete "three" and insert "five"

The motion prevailed. So the amendment was adopted.

H.F. No. 1796 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 59 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Metzen	Reichgott
Anderson	Decker	Knutson	Moe, D.M.	Renneke
Beckman	Dicklich	Laidig	Moe, R.D.	Samuelson
Belanger	Diessner	Langseth	Morse	Schmitz
Berg	Frank	Lantry	Novak	Spear
Berglin	Frederickson, D.J.	Larson	Olson	Storm
Bernhagen	Frederickson, D.R.	Lessard	Pehler	Stumpf
Bertram	Freeman	Luther	Peterson, D.C.	Taylor
Brandl	Hughes	Marty	Piper	Vickerman
Chmielewski	Johnson, D.E.	McQuaid	Pogemiller	Waldorf
Cohen	Johnson, D.J.	Mehrkens	Purfeerst	Wegscheid
Dahl	Jude	Merriam	Ramstad	

So the bill, as amended, passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 1773: A bill for an act relating to the statutes; directing the revisor of statutes to assign chapter numbers to enrollments and publish bills in Laws of Minnesota in the chapter number order; providing for showing on enrollments and publications of the time of final enactment of bills; maintaining existing law on determination of final enactment despite the change in the method of numbering chapters of enrollments and publications; amending Minnesota Statutes 1986, sections 3.19; 3C.04, subdivision 5; 3C.06, subdivision 1; and 645.01; proposing coding for new law in Minnesota Statutes, chapter 4.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 55 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Hughes	McQuaid	Ramstad
Anderson	Dahl	Johnson, D.E.	Mehrkens	Renneke
Beckman	Davis	Jude	Metzen	Samuelson
Belanger	Decker	Knaak	Moe, D.M.	Schmitz
Benson	Dicklich	Knutson	Moe, R.D.	Spear
Berg	Diessner	Langseth	Morse	Storm
Berglin	Frank	Lantry	Olson	Stumpf
Bernhagen	Frederickson, D.J.	Larson	Peterson, D.C.	Taylor
Bertram	Frederickson, D.R.	Lessard	Piper	Vickerman
Brandl	Freeman	Luther	Pogemiller	Waldorf
Chmielewski	Gustafson	Marty	Purfeerst	Wegscheid

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 2074: A bill for an act relating to retirement; Minneapolis employees retirement fund; adding state representatives to the retirement board of the fund; amending Minnesota Statutes 1986, sections 422A.02; and 422A.03, subdivision 2.

Mr. Moe, D.M. moved that S.F. No. 2074, No. 34 on Special Orders, be stricken and re-referred to the Committee on Governmental Operations. The motion prevailed.

SPECIAL ORDER

S.F. No. 980: A bill for an act relating to retirement; public pension plans; establishing, codifying, clarifying, and revising the obligations, responsibilities, and liabilities of public pension plan fiduciaries; amending Minnesota Statutes 1986, sections 11A.01; 11A.07, subdivision 4; 11A.08, subdivision 6; 11A.09; 11A.13, subdivision 1; 69.30; 69.77, subdivision 2g; 69.775; 136.80, subdivision 1; 136.84; 352C.091, subdivision 1; 352D.09, subdivision 1; 353.03, subdivision 1; 353.05; 353.06; 353.08; 353.68, subdivision 1; 354.06, subdivision 3; 354.07, subdivision 4; 354A.021, subdivision 6; 354A.08; 422A.05, subdivisions 2a, 2c, and 2d; 423.374; 423.45; 423.805; 423A.21, subdivision 4; 424.06; 424A.001, subdivision 7; 424A.04, subdivision 2; 490.122; and 490.123, subdivision 2; Minnesota Statutes 1987 Supplement, sections 11A.04; 352.03, subdivisions 1, 4, 6, 7, and 11; 352.05; 352.92, by adding a subdivision; 352.96, subdivision 3; 352B.03, subdivision 1; 352B.07; 353.03, subdivision 3a; 354.06, subdivisions 1 and 2a; and 354.07, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 3A and 490; proposing coding for new law as Minnesota Statutes, chapter 356A; repealing Minnesota Statutes 1986, sections 356.71; and 423.812.

Mr. Moe, D.M. moved that S.F. No. 980, No. 35 on Special Orders, be stricken and re-referred to the Committee on Governmental Operations. The motion prevailed.

SPECIAL ORDER

H.F. No. 2232: A bill for an act relating to cable television; exempting certain small cable systems; requiring new franchises to be granted on same terms as original franchise; prohibiting utilities from giving unfair preference to affiliated companies that provide cable television service; amending Minnesota Statutes 1986, sections 238.02, subdivision 3; and 238.08, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 238.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 52 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Hughes	Mehrkens	Solon
Anderson	Dahl	Johnson, D.E.	Merriam	Spear
Beckman	Davis	Jude	Metzen	Storm
Belanger	Decker	Knutson	Moe, D.M.	Stumpf
Benson	Dicklich	Langseth	Morse	Taylor
Berg	Diessner	Lantry	Piper	Vickerman
Berglin	Frank	Larson	Pogemiller	Waldorf
Bernhagen	Frederickson, D.J.	Lessard	Purfeerst	Wegscheid
Bertram	Frederickson, D.R.	Luther	Ramstad	
Brandl	Freeman	Marty	Renneke	
Chmielewski	Gustafson	McQuaid	Schmitz	

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 2185: A bill for an act relating to game and fish; adjusting the height of deer stands; regulating placing decoys in public waters or on

public lands; amending Minnesota Statutes 1986, sections 97B.325; and 97B.811.

Mr. Stumpf moved that the amendment made to H.F. No. 2185 by the Committee on Rules and Administration in the report adopted March 24, 1988, pursuant to Rule 49, be stricken. The motion did not prevail.

Mr. Stumpf then moved to amend H.F. No. 2185, as amended pursuant to Rule 49, adopted by the Senate March 24, 1988, as follows:

(The text of the amended House File is identical to S.F. No. 2199.)

Page 1, after line 6, insert:

"Section 1. [1.1441] [STATE MAMMAL.]

*Subdivision 1. [DESIGNATION.] The white-tailed deer, *Odocoileus virginianus*, is the official mammal of the state of Minnesota.*

Subd. 2. [ART PRINT.] The print numbered one of a limited edition print of an original painting of the white-tailed deer painted by a state resident and approved by the commissioner of natural resources, after consulting sporting organizations interested in the management of white-tailed deer, shall be preserved and may be displayed in the office of the secretary of state."

Renumber the sections in sequence.

Amend the title accordingly.

Mr. Dahl questioned whether the amendment was germane.

The President ruled that the amendment was germane.

The question was taken on the adoption of the Stumpf amendment. The motion prevailed. So the amendment was adopted.

H.F. No. 2185 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 49 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	Brataas	Hughes	Lessard	Purfeerst
Anderson	Chmielewski	Johnson, D.E.	Luther	Ramstad
Beckman	Cohen	Jude	Marty	Renneke
Belanger	Davis	Knaak	McQuaid	Samuelson
Benson	Decker	Knutson	Merriam	Spear
Berg	Diessner	Kroening	Metzen	Storm
Berglin	Frank	Laidig	Moe, D.M.	Stumpf
Bernhagen	Frederickson, D.J.	Langseth	Olson	Vickerman
Bertram	Frederickson, D.R.	Lantry	Piper	Wegscheid
Brandl	Freeman	Larson	Pogemiller	

Messrs. Dahl and Morse voted in the negative.

So the bill, as amended, passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 1983: A bill for an act relating to sentencing; directing the sentencing guidelines commission to study certain sentencing issues; requiring the commission to report back to the legislature with proposed changes to

respond to these issues; proposing coding for new law in Minnesota Statutes, chapter 244.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 47 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Chmielewski	Gustafson	Marty	Ramstad
Anderson	Cohen	Hughes	McQuaid	Samuelson
Beckman	Dahl	Jude	Mehrkens	Spear
Benson	Davis	Knaak	Merriam	Storm
Berg	Decker	Knutson	Metzen	Stumpf
Berglin	Diessner	Kroening	Morse	Vickerman
Bernhagen	Frank	Laidig	Olson	Waldorf
Bertram	Frederickson, D.J.	Lantry	Piper	
Brandl	Frederickson, D.R.	Larson	Pogemiller	
Brataas	Freeman	Lessard	Purfeerst	

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 1935: A bill for an act relating to insurance; accident and health; broadening the average for adopted children; requiring coverage for routine diagnostic procedures for cancer and services provided to ventilator-dependent persons; amending Minnesota Statutes 1987 Supplement, section 62A.27; and proposing coding for new law in Minnesota Statutes, chapter 62A.

Mr. Dicklich moved to amend H.F. No. 1935, as amended pursuant to Rule 49, adopted by the Senate March 23, 1988, as follows:

(The text of the amended House File is identical to S.F. No. 1838.)

Page 1, after line 10, insert:

“Section 1. Minnesota Statutes 1986, section 62A.04, is amended by adding a subdivision to read:

Subd. 8a. [RETURN OF PREMIUM.] A policy of accident and sickness insurance as defined in section 62A.01 may contain or may be amended by rider to provide for a return of premium benefit so long as:

(1) the return of premium benefit is not applicable until the policy has been in force for five years;

(2) the return of premium benefit is not reduced by an amount greater than the aggregate of any claims paid under the policy;

(3) the return of premium benefit is not included in or used with a policy with benefits that are reduced based on an insured's age;

(4) the return of premium benefit is not payable in lieu of benefits at the option of the insurer;

(5) the insurer demonstrates that the reserve basis for such benefit is adequate; and

(6) the cost of the benefit is disclosed to the insured and the insured is given the option of the coverage.”

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Mr. Knaak questioned whether the amendment was germane.

The President ruled that the amendment was germane.

The question was taken on the adoption of the Dicklich amendment. The motion prevailed. So the amendment was adopted.

Mr. Frederick moved to amend H.F. No. 1935, as amended pursuant to Rule 49, adopted by the Senate March 23, 1988, as follows:

(The text of the amended House File is identical to S.F. No. 1838.)

Pages 2 and 3, delete sections 2 to 6

Amend the title accordingly

CALL OF THE SENATE

Mr. Merriam imposed a call of the Senate for the balance of the proceedings on H.F. No. 1935. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the Frederick amendment.

The roll was called, and there were yeas 16 and nays 37, as follows:

Those who voted in the affirmative were:

Anderson	Brataas	Knutson	Metzen	Samuelson
Benson	Decker	Lessard	Ramstad	Solon
Berg	Frederick	Mehrkens	Renneke	Wegscheid
Bertram				

Those who voted in the negative were:

Adkins	Dahl	Johnson, D.E.	McQuaid	Spear
Beckman	Davis	Knaak	Merriam	Storm
Belanger	Frank	Kroening	Moe, D.M.	Taylor
Berghin	Frederickson, D.J.	Laidig	Moe, R.D.	Vickerman
Bernhagen	Frederickson, D.R.	Langseth	Morse	Waldorf
Brandl	Freeman	Lantry	Piper	
Chmielewski	Gustafson	Luther	Pogemiller	
Cohen	Hughes	Marty	Schmitz	

The motion did not prevail. So the amendment was not adopted.

Mr. Frederick then moved to amend H.F. No. 1935, as amended pursuant to Rule 49, adopted by the Senate March 23, 1988, as follows:

(The text of the amended House File is identical to S.F. No. 1838.)

Page 3, line 13, delete "1991" and insert "1995"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 24 and nays 32, as follows:

Those who voted in the affirmative were:

Anderson	Brataas	Knutson	Metzen	Storm
Benson	Decker	Laidig	Ramstad	Taylor
Berg	Frederick	Larson	Renneke	Vickerman
Bernhagen	Gustafson	Lessard	Samuelson	Wegscheid
Bertram	Johnson, D.J.	Mehrkens	Solon	

Those who voted in the negative were:

Adkins	Dahl	Hughes	Marty	Schmitz
Beckman	Davis	Johnson, D.E.	McQuaid	Spear
Belanger	Diessner	Knaak	Merriam	Stumpf
Berglin	Frank	Kroening	Moe, D.M.	Waldorf
Brandl	Frederickson, D.J.	Langseth	Moe, R.D.	
Chmielewski	Frederickson, D.R.	Lantry	Piper	
Cohen	Freeman	Luther	Pogemiller	

The motion did not prevail. So the amendment was not adopted.

H.F. No. 1935 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 51 and nays 7, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Johnson, D.E.	Mehrkens	Schmitz
Anderson	Dahl	Johnson, D.J.	Merriam	Spear
Beckman	Davis	Knaak	Moe, D.M.	Storm
Belanger	Decker	Laidig	Moe, R.D.	Stumpf
Benson	Diessner	Langseth	Morse	Taylor
Berg	Frank	Lantry	Novak	Waldorf
Berglin	Frederick	Larson	Olson	Wegscheid
Bernhagen	Frederickson, D.J.	Lessard	Piper	
Bertram	Frederickson, D.R.	Luther	Pogemiller	
Brandl	Freeman	Marty	Ramstad	
Chmielewski	Hughes	McQuaid	Renneke	

Those who voted in the negative were:

Brataas	Kroening	Samuelson	Solon	Vickerman
Gustafson	Metzen			

So the bill, as amended, passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Moe, R.D. moved that H.F. No. 2590 be taken from the table. The motion prevailed.

H.F. No. 2590: A bill for an act relating to the financing of government in Minnesota; changing tax rates and bases; modifying the administration, collection, and enforcement of taxes; imposing taxes; changing the computation, administration, and payment of aids, credits, and refunds; limiting taxing powers; transferring and imposing governmental powers and duties; making technical corrections and clarifications; providing bonding authority to Hennepin County; imposing penalties; appropriating money and reducing appropriations; amending Minnesota Statutes 1986, sections 69.031, subdivision 3; 168.011, subdivision 8; 168.012, subdivision 9; 237.075, subdivision 8; 240.01, by adding a subdivision; 240.13, subdivisions 4 and 6; 240.15, subdivisions 1, 3, and 6; 240.18; 270.075, subdivision 2; 270.41; 270.70, subdivision 1; 271.01, subdivision 5; 273.05, subdivision 1; 273.061, subdivision 2; 273.112, subdivisions 3 and 6; 273.121; 273.124, subdivisions 1 and 6; 273.13, by adding a subdivision; 273.40; 279.01, subdivision 3; 287.21, by adding a subdivision; 290.01, by adding a subdivision; 290.06, by adding subdivisions; 290.39, by adding a subdivision; 290.50, subdivision 3; 290.92, subdivisions 2a and 21; 290.931, subdivision 1; 290.934, subdivisions 1, 3, and by adding a subdivision; 290A.03, subdivision 7; 297.01, by adding a subdivision; 297.03, subdivision 12, and by adding a subdivision; 297.041, subdivision 1; 297.06, subdivisions 1,

2, 3, and by adding a subdivision; 297.08, subdivision 1; 297.12, subdivision 1; 297.35, by adding a subdivision; 297A.02, subdivision 4; 297A.15, subdivisions 1 and 5; 297A.16; 297A.17; 297A.21; 297A.25, subdivisions 5, 8, 27, and by adding subdivisions; 297A.256; 297C.02, subdivisions 3 and 4; 297C.03, by adding a subdivision; 297C.07; 297D.08; 298.223; 303.03; 329.11; 349.12, subdivision 18, and by adding subdivisions; 349.2121, subdivisions 1, 2, 5, and by adding a subdivision; 349.22, subdivision 1, and by adding subdivisions; 375.192, subdivision 1; 375.83; 473.167, subdivisions 2, 3, and by adding subdivisions; 473.249, subdivision 1, and by adding a subdivision; 473.446, subdivision 3, and by adding a subdivision; 473.711, subdivision 2, and by adding a subdivision; 473.843, subdivision 2; 477A.011, subdivision 11, and by adding a subdivision; and 477A.015; Minnesota Statutes 1987 Supplement, sections 16A.1541; 60A.15, subdivision 1; 60E.04, subdivision 4; 69.021, subdivision 5; 69.54; 124.155, subdivision 2; 124A.02, subdivisions 3a and 11; 240.13, subdivision 5; 270.485; 272.02, subdivision 1; 272.115, subdivision 4; 272.121; 273.061, subdivision 1; 273.1195; 273.123, subdivisions 4 and 5; 273.124, subdivisions 11 and 13; 273.13, subdivisions 23, 24, and 25; 273.135, subdivision 2; 273.1391, subdivision 2; 273.1392; 273.1393; 273.1397, subdivision 2; 273.165, subdivision 2; 273.42, subdivision 2; 274.01, subdivision 1; 274.19, subdivisions 1, 2, 3, 4, 6, 7, and 8; 275.07, subdivision 1; 275.50, subdivision 2; 275.51, subdivision 3h; 276.04; 279.01, subdivision 1; 290.01, subdivisions 3a, 4, 7, 19, 19a, 19b, 19c, 19d, 19e, and 20; 290.015, subdivisions 1, 2, 3, and 4; 290.06, subdivisions 1, 2c, and 21; 290.081; 290.092, subdivisions 3, 4, 5, and by adding a subdivision; 290.095, subdivisions 1, 3, and by adding a subdivision; 290.10; 290.17, subdivision 2; 290.191, subdivisions 6 and 11; 290.21, subdivisions 3 and 4; 290.35, subdivision 2; 290.371, subdivisions 1, 3, 4, and 5; 290.38; 290.41, subdivision 2; 290.92, subdivisions 7 and 15; 290.934, subdivision 2; 290.9725; 290A.03, subdivisions 3, 13, 14, and 15; 290A.04, subdivision 2; 290A.06; 295.32; 295.34, subdivision 1; 297.01, subdivisions 7 and 14; 297.03, subdivision 6; 297.11, subdivision 5; 297A.01, subdivision 3; 297A.212; 297A.25, subdivisions 3 and 11; 297B.03; 297C.04; 298.2213, subdivision 3; 299.01, subdivision 1; 349.212, subdivisions 1 and 4; 349.2121, subdivisions 4a and 10; 349.2122; 349.2123; 469.174, subdivision 10; 469.175, subdivisions 1, 2, 3, 4, and by adding a subdivision; 469.176, subdivisions 1, 4, and 6; 469.177, subdivisions 1, 3, 4, and by adding subdivisions; 473.446, subdivision 1; 475.53, subdivision 4; 475.61, subdivision 3; 477A.012, subdivision 1; and 508.25; Laws 1987, chapter 268, article 6, sections 19, 53, and 54; and article 8, section 9; proposing coding for new law in Minnesota Statutes, chapters 270; 273; 275; 290; 290A; 297; 297C; 298; 349; and 424A; repealing Minnesota Statutes 1986, sections 272.64; 273.13, subdivisions 7a and 30; 275.035; 275.49; 290.07, subdivisions 3 and 6; 290.11; 290.12, as amended; 290.131, as amended; 290.132, as amended; 290.133, as amended; 290.134, as amended; 290.135, as amended; 290.136, as amended; 290.138, as amended; 290.934, subdivision 4; 297A.15; subdivision 2; 297C.03, subdivision 5; 298.401; and 299.013; Minnesota Statutes 1987 Supplement, sections 273.1195; 273.13, subdivision 15a; 273.1394; 273.1395; 273.1396; 273.1397; 275.081; 275.082; 275.125, subdivision 22; 290.06, subdivision 20; 290.077, subdivision 1; 290.14; 290.371, subdivision 2; 290A.04, subdivisions 2a and 2b; 296.02, subdivisions 2a and 2b; and 296.025, subdivisions 2a and 2b; Laws 1987, chapter 268, article 3, section 11; and article 5, section 4.

SUSPENSION OF RULES

Mr. Moe, R.D. moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 2590 and that the rules of the Senate be so far suspended as to give H.F. No. 2590 its second and third reading and place it on its final passage. The motion prevailed.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate for the balance of the proceedings on H.F. No. 2590. The Sergeant at Arms was instructed to bring in the absent members.

H.F. No. 2590 was read the second time.

Mr. Johnson, D.J. moved to amend H.F. No. 2590 as follows:

Delete everything after the enacting clause, and delete the title, of H.F. No. 2590, and insert the language after the enacting clause, and the title, of S.F. No. 2260, the first engrossment.

The motion prevailed. So the amendment was adopted.

Mr. Johnson, D.J. then moved to amend H.F. No. 2590, as amended by the Senate March 30, 1988, as follows:

(The text of the amended House File is identical to S.F. No. 2260.)

Page 21, line 2, delete "*adjusted gross*" and insert "*taxable*"

Page 27, line 19, delete "*and 7*"

Page 42, line 19, delete "*(b)*" and insert "*(a)*"

Page 55, line 12, delete "*(9)*" and insert "*(11)*"

Page 127, line 27, delete "*overall level of*" and insert "*ratio of the equalized market value to the unequalized market value shall equal the lesser of (i) one or 92 percent divided by (ii) the aggregate assessment sales ratio.*"

Page 127, delete lines 28 to 30

Page 128, line 10, delete "*, multiplied by the ratio*"

Page 128, delete lines 11 to 16

Page 128, line 17, delete "*total levy within the unique taxing jurisdiction*"

Page 128, line 19, after "*(b)*" insert "*For purposes of this section, the department of education shall recalculate school district levy amounts for 1988 using the tax capacity specified in section 273.13. For taxes payable in 1989, the transition aid amount so determined for school districts for purposes of school maintenance and transportation levies shall be multiplied by the ratio of the adjusted tax capacity based upon the 1987 adjusted assessed value to the adjusted tax capacity based upon the 1986 adjusted assessed value.*

(c)"

Page 128, line 22, delete "*(c)*" and insert "*(d)*"

Page 146, line 8, delete "*PER HOUSEHOLD*" and delete "*per*"

Page 146, line 9, delete "household"

Page 146, delete section 49

Page 146, line 19, delete "(i)" and insert "\$150 for each tenfold increase in households, or fraction thereof, above ten rounded to the nearest dollar."

Page 146, delete lines 20 and 21

Page 147, line 35, delete the second "a" and insert "its city revenue"

Page 147, delete line 36

Page 148, line 1, delete everything before "to"

Page 148, line 5, delete "PER HOUSEHOLD"

Page 148, line 6, delete "per household"

Page 148, delete section 58

Page 149, line 30, delete the second "a" and insert "its county revenue"

Page 149, delete lines 31 and 32

Page 149, line 33, delete everything before "to"

Page 150, line 7, after "county" insert "whose initial aid is greater than \$0"

Page 150, delete lines 11 and 12

Renumber the clauses in sequence

Page 150, line 34, after the period, insert "A county whose initial aid is \$0 will receive an amount equal to 101 percent of the local government aid it received in 1988 under Minnesota Statutes 1987 Supplement, section 477A.012, subdivision 1."

Page 151, line 20, delete "1986" and insert "1987 Supplement"

Page 151, line 22, after "city" insert "whose initial aid is greater than \$0"

Page 151, delete lines 26 and 27

Renumber the clauses in sequence

Page 152, line 14, after "1988" insert "after the adjustments provided in section 273.1398, subdivision 2" and before the period, insert ", provided that no city will receive an increase that is less than two percent of its 1988 local government aid. A city whose initial aid is \$0 will receive an amount equal to 102 percent of the local government aid it received in 1988, under Minnesota Statutes 1987 Supplement, section 477A.013"

Renumber the sections of article 5 in sequence and correct the internal references

Page 188, line 10, delete "July" and insert "June"

Page 341, line 26, before "Service" insert paragraph coding

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Ms. Berglin moved to amend H.F. No. 2590, as amended by the Senate March 30, 1988, as follows:

(The text of the amended House File is identical to S.F. No. 2260.)

Page 335, line 18, delete "zoned" and insert "used"

Page 335, line 21, after the period, insert "*Property used for residential purposes, including condominiums, apartments, and cooperatives, or used by a church or a charitable organization organized under Minnesota Statutes, sections 315.44 and 315.49, or owned or leased in its entirety by a charitable organization described in section 501(c)(3) of the Internal Revenue Code, as amended through December 31, 1987, shall not be subject to any service charges under sections 1 to 9. Property owned by a unit of government and used to raise revenue, except public hospitals, libraries, and Orchestra Hall, shall be subject to service charges other than service charges based on assessed value. In addition, property that is exempt from taxation under Minnesota Statutes, section 272.02, is exempt from service charges based on assessed value imposed under sections 1 to 9, but is subject to other types of service charges under sections 1 to 9 unless otherwise exempted under this subdivision. Any property that is exempted from any or all service charges under this subdivision may notify the governing body of its intent to receive the benefits provided to property within the special service district, and thereby elect to be subject to the service charges imposed for those services. Property may be served within the boundaries of the special service district whether or not the property is subject to the charges imposed by the city on the special service district.*"

Page 338, delete lines 9 to 13

Page 338, line 14, delete "5" and insert "4"

The motion prevailed. So the amendment was adopted.

Mr. Knaak moved to amend H.F. No. 2590, as amended by the Senate March 30, 1988, as follows:

(The text of the amended House File is identical to S.F. No. 2260.)

Page 350, after line 27, insert:

"ARTICLE 21

WHITE BEAR LAKE SPECIAL SERVICE DISTRICTS

Section 1. [DEFINITIONS.]

Subdivision 1. For the purposes of this article, the terms defined in this section have the following meanings.

Subd. 2. "City" means the city of White Bear Lake.

Subd. 3. "Special services" mean:

(1) the promotion and management of a special service district as a trade or shopping area;

(2) parking services rendered or contracted for by the city; and

(3) the repair, maintenance, operation and replacement of improvements, within the boundaries of a special service district established under section 2, subdivision 1.

Special services do not include services that are provided throughout the city from general tax revenues of the city except to the extent that an increased level of service is provided in the special service district.

Subd. 4. "Special service district" means a defined area of the city where special services are rendered and their costs are paid from revenues collected from a special service tax imposed within the area.

Subd. 5. "Assessed value" means the assessed value as most recently certified by the commissioner of revenue on the effective date of an ordinance or resolution adopted pursuant to section 2 or 3.

Sec. 2. [ESTABLISHMENT OF SPECIAL SERVICE DISTRICT.]

Subdivision 1. [ORDINANCE.] The governing body of the city may adopt ordinances establishing special service districts in areas as follows:

All that land zoned as "General Business (B-4)" or "Central Business (B-5)" within the following described area: Beginning at the northeast corner of the intersection of Minnesota State Highway 96E and U.S. Highway 61, thence easterly along the north right-of-way line of Minnesota State Highway 96E and Stewart Avenue, thence southerly along the east right-of-way line of Stewart Avenue a distance of 3,600 feet to the northeast intersection of Stewart Avenue with Lake Avenue, thence southwesterly along Lake Avenue a distance of 3,400 feet to the northwest corner of the intersection of Lake Avenue with U.S. Highway 61, thence northerly a distance of 2,600 feet along the east right-of-way line of Bald Eagle Avenue to a point of intersection with the north right-of-way line of 5th Street, thence easterly along the north right-of-way line of 5th Street a distance of 1,280 feet to a point of intersection with the west right-of-way line of Division Street, thence northerly along the west right-of-way line of Division Street a distance of 2,700 feet to a point of intersection with the north right-of-way line of 12th Street, thence easterly 1,200 feet along a line extended on the north right-of-way line of 12th Street to the intersection with the west right-of-way line of U.S. Highway 61, thence southeasterly 160 feet along the west right-of-way line of U.S. Highway 61 to the point of beginning.

The ordinance shall describe with particularity the areas to be included in the district and the special services to be furnished. The ordinance may not be adopted until after a public hearing on the question. Notice of the hearing shall include:

- (1) the time and place of the hearing;*
- (2) a map showing the boundaries of the proposed district;*
- (3) a statement that all persons owning property in the proposed district will be given an opportunity to be heard at the hearing;*
- (4) a description of the proposed special services to be provided and the estimated taxes to be levied in the district; and*
- (5) a statement of the landowner's rights to object and to appeal pursuant to this section.*

Subd. 2. [NOTICE.] Notice of the hearing shall be given by publication in two issues of a newspaper of general circulation in the city. The two publications shall be a week apart. The hearing shall be held no sooner than three days after the last publication. Not less than ten days before the hearing, notice shall also be mailed to the owner of each parcel of real estate proposed to be included in the district. For the purpose of giving mailed notice, owners shall be those shown on the records of the county auditor. Other records may be used to supply necessary information. For

properties which are subject to taxation on a gross earning basis in lieu of property tax and are not listed on the records of the county auditor, the owners shall be ascertained by any practicable means and mailed notice given them. At the public hearing, any person who owns property in a proposed district or any other interested party may be heard orally in respect to the proposed district. The hearing may be adjourned from time to time. The ordinance establishing a district may be adopted at any time within six months after the date the hearing is concluded and all objections under subdivisions 3 and 4 have been determined.

Subd. 3. [OBJECTION.] Before the ordinance is adopted or at the hearing when it is adopted, any affected landowner may file a written objection with the city clerk asserting that the landowner's property should not be subjected to the special service tax and objecting to:

- (1) the inclusion of the landowner's property in the district;
- (2) the levy of a tax on the landowner's property; or
- (3) the fact that the use of the landowner's property is not substantially benefited by the proposed special service.

The governing body shall make a determination on the objection within 30 days of its filing. Pending its determination, the governing body may delay adoption of the ordinance or it may adopt the ordinance with a reservation that the landowner's property may be excluded from the district or district taxes when the determination is made.

Subd. 4. [APPEAL TO DISTRICT COURT.] Within 30 days after the determination of the objection, any person aggrieved, who is not precluded by failure to object before or at the hearing, or whose failure to object is due to a reasonable cause, may appeal to the district court by serving a notice upon the mayor or city clerk. The notice shall be filed with the clerk of the district court within ten days after its service. The city clerk shall furnish the appellant a certified copy of the findings and determination of the governing body. The court may affirm the action objected to or, if the appellant's objections have merit, modify or cancel it. If the appellant does not prevail upon the appeal, the costs incurred shall be taxed to the appellant by the court and judgment entered for them. All objections shall be deemed waived unless presented on appeal. This section is the exclusive method of appeal from an action taken under this article.

Sec. 3. [TAXING AUTHORITY; NOTICE AND HEARING REQUIREMENTS.]

Subdivision 1. [TAXES; HEARING.] Upon a finding of a public purpose, a special service tax based upon property value, square footage, or front footage, or allocated by another fair method determined by the governing body, may be levied on real property within zoning districts classified by the city of White Bear Lake as B-4 or B-5 that is in the special district at a rate or amount sufficient to produce the revenues required to provide the special services within the district. If the property value method is used, taxable property or value shall be determined without regard to captured or original assessed value under Minnesota Statutes, section 273.76, or to the distribution or contribution value under Minnesota Statutes, section 473F08. A special service tax may not be imposed on the receipts from the sale of intoxicating liquor, food, or lodging. Before the levy of a special service tax, notice shall be given and a hearing held as

provided by section 2. For purposes of this section, the notice shall include:

(1) a statement that the owners of all taxable property included in the district will have an opportunity to be heard at the hearing regarding the proposed special service tax;

(2) the estimated cost of special services to be paid for in whole or part by the tax; the estimated cost of operating and maintaining improvements and providing other special services during the first year after their completion; the proposed method and source of financing; and the annual cost of repairing, operating, maintaining, and replacing improvements and providing other special services; and

(3) the proposed rate or amount and duration of special service taxes to be levied in the district during each calendar year and the nature and character of special services to be rendered in the district during each calendar year.

Within six months of the public hearing and determination of all objections under section 2, subdivisions 3 and 4, the city may adopt a resolution levying a special service tax within the district that does not exceed the amount or rate stated in the notice issued pursuant to this section.

Any increase of the amount of a special service tax from that estimated in the notice shall only be considered after further action in accordance with this section.

A person aggrieved by a tax may appeal as provided in section 2.

Subd. 2. [EXEMPTION OF CERTAIN PROPERTIES FROM TAXES.] Property exempted from taxation by Minnesota Statutes, section 272.02, and property used exclusively for residential purposes is exempt from any tax imposed pursuant to this article.

Subd. 3. [LEVY LIMIT EXEMPTIONS.] A special service tax imposed pursuant to this article shall be disregarded in the calculation of levies or limits on levies provided by other law.

Sec. 4. [LOCAL APPROVAL.]

This article takes effect the day after the governing body of the city of White Bear Lake complies with Minnesota Statutes, section 645.021, subdivision 3."

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Peterson, R.W. moved to amend H.F. No. 2590, as amended by the Senate March 30, 1988, as follows:

(The text of the amended House File is identical to S.F. No. 2260.)

Page 307, after line 1, insert:

"Sec. 31. [CITY OF SHAFER BOND ISSUE.]

The city of Shafer may issue general obligation bonds of the city in an aggregate principal amount not to exceed \$40,000 to finance the acquisition and betterment of a municipal building. The bonds shall be issued and sold in accordance with the provisions of Minnesota Statutes, chapter 475, including the provision requiring the approval of a majority of the electors voting on the question of issuing the bonds. Notwithstanding any

other statutory or charter provision, the principal amount of bonds issued shall not be included in computing any debt limit applicable to the city, nor shall the taxes required to be levied to pay the principal of and interest on the bonds be subject to any levy limitation or be included in computing any levy limitation applicable to the city."

Renumber the sections of article 15 in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Knutson moved to amend H.F. No. 2590, as amended by the Senate March 30, 1988, as follows:

(The text of the amended House File is identical to S.F. No. 2260.)

Page 244, line 15, delete the new language

Page 244, delete line 16

Page 244, line 17, delete the new language and after "and" insert "*the state and its agencies, instrumentalities, and*" and strike "of the state" and insert a comma

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 19 and nays 41, as follows:

Those who voted in the affirmative were:

Anderson	Decker	Gustafson	Larson	Ramstad
Belanger	Diessner	Johnson, D.E.	McQuaid	Renneke
Benson	Frederick	Knutson	Mehrkens	Storm
Bernhagen	Frederickson, D.R.	Laidig	Olson	

Those who voted in the negative were:

Adkins	Davis	Lantry	Pehler	Spear
Beckman	DeCramer	Lessard	Peterson, D.C.	Stumpf
Berg	Dicklich	Luther	Peterson, R. W.	Vickerman
Berglin	Frank	Marty	Piper	Waldorf
Bertram	Frederickson, D.J.	Merriam	Pogemiller	Wegscheid
Brandl	Freeman	Metzen	Purfeerst	
Chmielewski	Johnson, D.J.	Moe, R.D.	Reichgott	
Cohen	Jude	Morse	Samuelson	
Dahl	Knaak	Novak	Schmitz	

The motion did not prevail. So the amendment was not adopted.

Mr. Freeman moved to amend H.F. No. 2590, as amended by the Senate March 30, 1988, as follows:

(The text of the amended House File is identical to S.F. No. 2260.)

Page 288, line 11, delete the new language

Page 288, delete section 2

Page 288, line 30, before "*Laws*" insert "*Minnesota Statutes 1987 Supplement, section 16A.1541, and*" and delete "*is*" and insert "*are*"

Renumber the sections of article 14 in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Kroening moved to amend H.F. No. 2590, as amended by the Senate March 30, 1988, as follows:

(The text of the amended House File is identical to S.F. No. 2260.)

Page 5, line 29, delete "and"

Page 6, line 5, after "1985" insert "; and

(5) income as provided in section 9"

Page 9, delete section 6

Page 14, after line 30, insert:

"Sec. 9. [290.083] [PENSION INCOME EXCLUSION.]

Subdivision 1. [EXCLUSION.] (a) Net income does not include the pension income of a qualified taxpayer. The maximum amounts of this exclusion must be computed according to paragraphs (b) to (e).

(b) Taxpayers who are married and filing jointly may exclude pension income up to \$11,000, reduced by (1) the amount of joint federal adjusted gross income that exceeds \$25,500 but not below \$5,500; and by (2) the amount in paragraph (e).

(c) Taxpayers who are married and filing separately may exclude pension income up to \$5,500, reduced by (1) the amount of the taxpayer's federal adjusted gross income that exceeds \$12,750 but not below \$2,750; and by (2) the amount in paragraph (e).

(d) Single taxpayers may exclude pension income up to \$8,000, reduced by (1) the amount of the taxpayer's federal adjusted gross income that exceeds \$22,000 but not below \$5,500; and by (2) the amount in paragraph (e).

(e) The amounts obtained in paragraphs (b) to (d) must be reduced by the sum of:

(1) the portion of the taxpayer's social security benefits excluded from gross income under section 86 of the Internal Revenue Code;

(2) the portion of railroad retirement benefits excluded from gross income under section 86 of the Internal Revenue Code;

(3) other income exempt from taxation under the Internal Revenue Code or this chapter; and

(4) earned income in excess of \$8,000.

Subd. 2. [DEFINITIONS.] (a) The definitions in this subdivision apply to this section.

(b) "Internal Revenue Code" means the Internal Revenue Code of 1986 in effect for the purpose of defining net income for the applicable taxable year as provided in section 290.01, subdivision 19.

(c) "Federal adjusted gross income" is federal adjusted gross income as defined in section 62 of the Internal Revenue Code, and includes the ordinary income portion of a lump sum distribution as defined in section 402(e) of the Internal Revenue Code.

(d) "Pension income" means to the extent included in the taxpayer's federal adjusted gross income the amount received by the taxpayer.

(1) from the United States, its agencies or instrumentalities, the Federal Reserve Bank or from the state of Minnesota or any of its political or governmental subdivisions or from any other state or its political or governmental subdivisions, or a Minnesota volunteer firefighter's relief association, by way of payment as a pension, public employee retirement benefit, or any combination of those benefits; or

(2) as a retirement or survivor's benefit made from a plan qualifying under section 401, 403, 404, 408, or 409 of the Internal Revenue Code.

(e) "Qualified taxpayer" means an individual who, before the close of the taxable year, has attained the age of 50 or is permanently and totally disabled as defined in section 22(e)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1987."

Page 27, line 16, delete "section" and insert "sections 290.06, subdivision 20, and"

Page 27, line 17, delete "is" and insert "are"

Page 27, line 24, after "Sections" insert "4, clause (5)," and after "7," insert "9,"

Renumber the sections of article 1 in sequence and correct the internal references

Amend the title accordingly

Mr. Kroening moved to amend the Kroening amendment to H.F. No. 2590 as follows:

Page 1, delete line 8

Page 2, delete lines 30 to 32

The motion prevailed. So the amendment to the amendment was adopted.

The question recurred on the Kroening amendment, as amended.

The roll was called, and there were yeas 31 and nays 34, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.E.	McQuaid	Storm
Anderson	Decker	Jude	Mehrkens	Taylor
Beckman	Frank	Knaak	Metzen	Vickerman
Belanger	Frederick	Knutson	Olson	
Benson	Frederickson, D.I.	Kroening	Purfeerst	
Bernhagen	Frederickson, D.R.	Laidig	Ramstad	
Cohen	Gustafson	Larson	Renneke	

Those who voted in the negative were:

Berg	Dicklich	Luther	Pehler	Schmitz
Berglin	Diessner	Marty	Peterson, D.C.	Solon
Bertram	Freeman	Merriam	Peterson, R.W.	Spear
Brandl	Johnson, D.J.	Moe, D.M.	Piper	Stumpf
Chmielewski	Langseth	Moe, R.D.	Pogemiller	Waldorf
Dahl	Lantry	Morse	Reichgott	Wegscheid
DeCramer	Lessard	Novak	Samuelson	

The motion did not prevail. So the Kroening amendment, as amended, was not adopted.

Mrs. McQuaid moved to amend H.F. No. 2590, as amended by the Senate March 30, 1988, as follows:

(The text of the amended House File is identical to S.F. No. 2260.)

Page 133, line 33, after the period, insert "*The statement must also show the dollar amount by which the school district's taxes for that year increased over the amount of school district taxes that would have been imposed that year under the education funding formula in effect prior to the changes in the law enacted by the legislature in its 1987 session.*"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 16 and nays 41, as follows:

Those who voted in the affirmative were:

Anderson	Decker	Gustafson	McQuaid	Renneke
Belanger	Frederick	Jude	Mehrkens	Storm
Benson	Frederickson, D.R.	Knutson	Ramstad	Taylor
Bernhagen				

Those who voted in the negative were:

Adkins	DeCramer	Lessard	Pehler	Spear
Beckman	Dicklich	Luther	Peterson, D.C.	Stumpf
Berg	Diessner	Marty	Peterson, R.W.	Vickerman
Berglin	Frederickson, D.J.	Merriam	Piper	Waldorf
Bertram	Freeman	Metzen	Pogemiller	Wegscheid
Brandl	Johnson, D.J.	Moe, D.M.	Reichgott	
Chmielewski	Knaak	Moe, R.D.	Samuelson	
Cohen	Langseth	Morse	Schmitz	
Davis	Lantry	Novak	Solon	

The motion did not prevail. So the amendment was not adopted.

Mr. Kroening moved to amend H.F. No. 2590, as amended by the Senate March 30, 1988, as follows:

(The text of the amended House File is identical to S.F. No. 2260.)

Page 338, line 32, after the period, insert "*No part of the cost of improvements to the Nicollet Mall may be specially assessed under Minnesota Statutes, chapter 429 or 430, against property owned by churches, units of government, or charitable institutions, or against property used for residential purposes, including condominiums, apartments, and cooperatives.*"

Mr. Pogemiller questioned whether the amendment was germane.

The President ruled that the amendment was germane.

The question was taken on the adoption of the amendment.

Mr. Moe, R.D. moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 29 and nays 33, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Freeman	Lessard	Solon
Anderson	Dahl	Gustafson	Mehrkens	Storm
Belanger	Decker	Knutson	Ramstad	Taylor
Benson	Frank	Kroening	Renneke	Vickerman
Bertram	Frederick	Laidig	Samuelson	Waldorf
Chmielewski	Frederickson, D.R.	Larson	Schmitz	

Those who voted in the negative were:

Beckman	Frederickson, D.J.	Luther	Morse	Purfeerst
Berg	Johnson, D.E.	Marty	Novak	Reichgott
Berglin	Johnson, D.J.	McQuaid	Pehler	Spear
Bernhagen	Jude	Merriam	Peterson, D.C.	Stumpf
Brandl	Knaak	Metzen	Peterson, R.W.	Wegscheid
DeCramer	Langseth	Moe, D.M.	Piper	
Diessner	Lantry	Moe, R.D.	Pogemiller	

The motion did not prevail. So the amendment was not adopted.

Mr. Kroening then moved to amend H.F. No. 2590, as amended by the Senate March 30, 1988, as follows:

(The text of the amended House File is identical to S.F. No. 2260.)

Pages 333 to 343, delete article 19

Renumber the articles in sequence

The question was taken on the adoption of the amendment.

Mr. Moe, R.D. moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 32 and nays 33, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Gustafson	Novak	Stumpf
Beckman	Decker	Kroening	Olson	Taylor
Benson	DeCramer	Laidig	Renneke	Vickerman
Berg	Diessner	Larson	Samuelson	Waldorf
Bertram	Frank	Lessard	Schmitz	
Chmielewski	Frederickson, D.R.	McQuaid	Solon	
Dahl	Freeman	Merriam	Storm	

Those who voted in the negative were:

Anderson	Frederick	Langseth	Moe, R.D.	Purfeerst
Belanger	Frederickson, D.J.	Lantry	Morse	Ramstad
Berglin	Johnson, D.E.	Luther	Pehler	Reichgott
Bernhagen	Johnson, D.J.	Marty	Peterson, D.C.	Spear
Brandl	Jude	Mehrkens	Peterson, R.W.	Wegscheid
Cohen	Knaak	Metzen	Piper	
Dicklich	Knutson	Moe, D.M.	Pogemiller	

The motion did not prevail. So the amendment was not adopted.

Mr. Freeman moved to amend H.F. No. 2590, as amended by the Senate March 30, 1988, as follows:

(The text of the amended House File is identical to S.F. No. 2260.)

Pages 278 to 280, delete section 13

Renumber the sections of article 13 in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 31 and nays 29, as follows:

Those who voted in the affirmative were:

Adkins	Decker	Knutson	Morse	Vickerman
Beckman	DeCramer	Kroening	Pehler	Waldorf
Berg	Diessner	Langseth	Ramstad	Wegscheid
Bertram	Frank	Lantry	Renneke	
Chmielewski	Frederickson, D.R.	Larson	Schmitz	
Cohen	Freeman	Lessard	Solon	
Davis	Jude	Metzen	Taylor	

Those who voted in the negative were:

Anderson	Frederickson, D.J.	Luther	Novak	Reichgott
Belanger	Gustafson	Marty	Peterson, D.C.	Samuelson
Berglin	Johnson, D.E.	Mehrkens	Peterson, R.W.	Spear
Bernhagen	Johnson, D.J.	Merriam	Piper	Storm
Brandl	Knaak	Moe, D.M.	Pogemiller	Stumpf
Dahl	Laidig	Moe, R.D.	Purfeerst	

The motion prevailed. So the amendment was adopted.

Mr. Waldorf moved to amend H.F. No. 2590, as amended by the Senate March 30, 1988, as follows:

(The text of the amended House File is identical to S.F. No. 2260.)

Pages 302 and 303, delete section 23

Renumber the sections of article 15 in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 17 and nays 39, as follows:

Those who voted in the affirmative were:

Berg	Frederick	Kroening	Peterson, R.W.	Waldorf
Bertram	Frederickson, D.R.	McQuaid	Renneke	
Diessner	Freeman	Merriam	Schmitz	
Frank	Jude	Morse	Spear	

Those who voted in the negative were:

Adkins	Cohen	Johnson, D.E.	Luther	Reichgott
Anderson	Dahl	Johnson, D.J.	Mehrkens	Samuelson
Beckman	Davis	Knaak	Moe, R.D.	Solon
Belanger	Decker	Laidig	Novak	Storm
Benson	DeCramer	Langseth	Peterson, D.C.	Stumpf
Bernhagen	Dicklich	Lantry	Piper	Vickerman
Brandl	Frederickson, D.J.	Larson	Pogemiller	Wegscheid
Chmielewski	Gustafson	Lessard	Ramstad	

The motion did not prevail. So the amendment was not adopted.

Mr. Merriam moved to amend H.F. No. 2590, as amended by the Senate March 30, 1988, as follows:

(The text of the amended House File is identical to S.F. No. 2260.)

Page 296, delete section 12

Renumber the sections of article 15 in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 21 and nays 40, as follows:

Those who voted in the affirmative were:

Berg	DeCramer	Lantry	Olson	Waldorf
Berglin	Frank	McQuaid	Peterson, R.W.	
Brandl	Frederickson, D.R.	Mehrkens	Renneke	
Cohen	Freeman	Merriam	Spear	
Dahl	Johnson, D.J.	Moe, D.M.	Stumpf	

Those who voted in the negative were:

Adkins	Davis	Knutson	Metzen	Ramstad
Anderson	Decker	Kroening	Moe, R.D.	Reichgott
Beckman	Dicklich	Laidig	Morse	Samuelson
Belanger	Frederickson, D.J.	Langseth	Novak	Schmitz
Benson	Gustafson	Larson	Pehler	Storm
Bernhagen	Johnson, D.E.	Lessard	Peterson, D.C.	Taylor
Bertram	Jude	Luther	Piper	Vickerman
Chmielewski	Knaak	Marty	Pogemiller	Wegscheid

The motion did not prevail. So the amendment was not adopted.

Mr. Bertram moved to amend H.F. No. 2590, as amended by the Senate March 30, 1988, as follows:

(The text of the amended House File is identical to S.F. No. 2260.)

Page 234, line 34, before the semicolon, insert "*not including services performed by off-duty police officers within the jurisdiction they serve*"

The motion prevailed. So the amendment was adopted.

H.F. No. 2590 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 61 and nays 3, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Moe, R.D.	Samuelson
Anderson	Decker	Laidig	Morse	Schmitz
Beckman	DeCramer	Langseth	Novak	Solon
Belanger	Dicklich	Lantry	Olson	Spear
Benson	Diessner	Larson	Pehler	Storm
Berg	Frederick	Lessard	Peterson, D.C.	Stumpf
Berglin	Frederickson, D.J.	Luther	Peterson, R.W.	Taylor
Bernhagen	Frederickson, D.R.	Marty	Piper	Vickerman
Bertram	Freeman	McQuaid	Pogemiller	Wegscheid
Brandl	Gustafson	Mehrkens	Purfeerst	
Chmielewski	Johnson, D.E.	Merriam	Ramstad	
Cohen	Johnson, D.J.	Metzen	Reichgott	
Dahl	Jude	Moe, D.M.	Renneke	

Messrs. Frank, Knutson and Waldorf voted in the negative.

So the bill, as amended, passed and its title was agreed to.

Mr. Johnson, D.J. moved that S.F. No. 2260, No. 105 on Special Orders, be stricken and laid on the table. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate revert to the Orders of Business of Messages From the House, First Reading of House Bills, Reports of Committees, Second Reading of Senate Bills and Second Reading of House Bills. The motion prevailed.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S.F. Nos. 1121, 1788, 1875, 1882, 1819, 2355 and 2206.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 30, 1988

Mr. President:

I have the honor to announce the adoption by the House of the following Senate Concurrent Resolution, herewith returned:

Senate Concurrent Resolution No. 21: A Senate concurrent resolution proclaiming Sunday, May 15, as Ethnic American Day in Minnesota.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 30, 1988

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 2286: A bill for an act relating to environment; amending certain statutes administered by the environmental quality board; prohibiting delegation of responsibilities; authorizing certain enforcement actions; prohibiting construction of certain projects; requiring project proposers to pay costs of environmental impact statements; appropriating money; amending Minnesota Statutes 1986, sections 116C.04, by adding a subdivision; 116D.04, by adding subdivisions; and 116D.045, subdivisions 1, 2, 3, and 4; Minnesota Statutes 1987 Supplement, section 116C.03, subdivision 2; repealing Minnesota Statutes 1986, section 116D.045, subdivision 5.

Senate File No. 2286 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 30, 1988

CONCURRENCE AND REPASSAGE

Mr. Peterson, R.W. moved that the Senate concur in the amendments by the House to S.F. No. 2286 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 2286 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 59 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Moe, R.D.	Renneke
Anderson	Decker	Laidig	Morse	Samuelson
Beckman	DeCramer	Langseth	Novak	Schmitz
Belanger	Dicklich	Lantry	Olson	Solon
Benson	Diessner	Larson	Pehler	Spear
Berg	Frederick	Lessard	Peterson, D.C.	Storm
Berglin	Frederickson, D.J.	Luther	Peterson, R.W.	Stumpf
Bernhagen	Frederickson, D.R.	Marty	Piper	Taylor
Bertram	Freeman	McQuaid	Pogemiller	Vickerman
Brandl	Gustafson	Mehrkens	Purfeerst	Waldorf
Chmielewski	Johnson, D.E.	Merriam	Ramstad	Wegscheid
Dahl	Jude	Metzen	Reichgott	

So the bill, as amended, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 1861, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 1861: A bill for an act relating to health maintenance organizations; insurance; requiring replacement coverage in the event an HMO cancels coverage; increasing state comprehensive health plan liabilities in the event a member terminates coverage; increasing health maintenance organization notice requirements and annual reporting requirements; amending Minnesota Statutes 1986, sections 62D.07; 62D.08, subdivision 5; 62D.09; 62D.101; 62D.11; 62D.12, subdivision 2, and by adding a subdivision; 62D.17, subdivision 1; 62E.11, by adding subdivisions; 62E.14, subdivisions 1, 3, and by adding a subdivision; 62E.16; Minnesota Statutes 1987 Supplement, sections 62A.17, subdivision 6; and 62D.08, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 62D; repealing Laws 1984, chapter 464, sections 29 and 40.

Senate File No. 1861 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 30, 1988

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 2289: A bill for an act relating to the environment; authorizing the waste management board to enter agreements providing for the development and operation of a wholly or partially state owned stabilization and containment facility; directing the board to make recommendation for legislative changes needed to implement facility development and operation; amending Minnesota Statutes 1987 Supplement, sections 115C.04, subdivisions 1 and 3; and 115C.09, subdivisions 1, 2, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 115A.

Senate File No. 2289 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 30, 1988

CONCURRENCE AND REPASSAGE

Mr. Merriam moved that the Senate concur in the amendments by the House to S.F. No. 2289 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 2289 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 55 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Knutson	Moe, R.D.	Reichgott
Anderson	Davis	Laidig	Morse	Renneke
Beckman	Decker	Lantry	Novak	Samuelson
Belanger	DeCramer	Larson	Olson	Schmitz
Benson	Diessner	Lessard	Pehler	Solon
Berg	Frederick	Luther	Peterson, D.C.	Storm
Berglin	Frederickson, D.J.	Marty	Peterson, R.W.	Stumpf
Bernhagen	Frederickson, D.R.	McQuaid	Piper	Taylor
Bertram	Johnson, D.E.	Mehrkens	Pogemiller	Vickerman
Brandl	Jude	Merriam	Purfeerst	Waldorf
Chmielewski	Knaak	Moe, D.M.	Ramstad	Wegscheid

So the bill, as amended, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 1686: A bill for an act relating to agriculture; prescribing procedure for delivery of dry edible beans from a grain warehouse; requiring the grade of dry edible beans on warehouse receipts; prescribing a redelivery charge; amending Minnesota Statutes 1986, sections 223.16, subdivision 4; 232.21, subdivision 7; and 232.23, by adding a subdivision.

Senate File No. 1686 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 30, 1988

Mr. Frederickson, D.J. moved that the Senate do not concur in the amendments by the House to S.F. No. 1686, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 2264: A bill for an act relating to elections; allowing the city of Falcon Heights to consolidate election precincts.

Senate File No. 2264 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 30, 1988

CONCURRENCE AND REPASSAGE

Mr. Marty moved that the Senate concur in the amendments by the House to S.F. No. 2264 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 2264 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 58 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Laidig	Morse	Samuelson
Anderson	Decker	Langseth	Novak	Schmitz
Beckman	DeCramer	Lantry	Olson	Solon
Belanger	Diessner	Larson	Pehler	Spear
Benson	Frederick	Luther	Peterson, D.C.	Storm
Berg	Frederickson, D.I.	Marty	Peterson, R.W.	Stumpf
Berglin	Frederickson, D.R.	McQuaid	Piper	Taylor
Bernhagen	Gustafson	Mehrkens	Pogemiller	Vickerman
Bertram	Johnson, D.E.	Merriam	Purfeerst	Waldorf
Brandl	Jude	Metzen	Ramstad	Wegscheid
Chmielewski	Knaak	Moe, D.M.	Reichgott	
Dahl	Knutson	Moe, R.D.	Renneke	

So the bill, as amended, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 2456: A bill for an act relating to energy; creating a legislative advisory task force on energy policies for low-income persons and providing for the duties of the task force.

Senate File No. 2456 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 30, 1988

CONCURRENCE AND REPASSAGE

Mr. Solon moved that the Senate concur in the amendments by the House to S.F. No. 2456 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 2456 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 56 and nays 3, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Knaak	Moe, R.D.	Schmitz
Anderson	Davis	Knutson	Morse	Solon
Beckman	Decker	Laidig	Novak	Spear
Belanger	DeCramer	Langseth	Pehler	Storm
Benson	Diessner	Lantry	Peterson, D.C.	Stumpf
Berg	Frederick	Larson	Piper	Vickerman
Berghin	Frederickson, D.J.	Luther	Pogemiller	Waldorf
Bernhagen	Frederickson, D.R.	Marty	Purfeerst	Wegscheid
Bertram	Freeman	McQuaid	Ramstad	
Brandl	Gustafson	Mehrkens	Reichgott	
Chmielewski	Johnson, D.E.	Metzen	Renneke	
Cohen	Jude	Moe, D.M.	Samuelson	

Mr. Merriam, Ms. Olson and Mr. Peterson, R.W. voted in the negative.

So the bill, as amended, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 2003: A bill for an act relating to state government; providing for salary ranges for certain state employees; clarifying requirements for submitting certain salaries for legislative approval; requiring certain reports; regulating emergency civil service appointments; clarifying limits on certain salaries; authorizing the governor to change the salaries of newly appointed agency heads; regulating affirmative action; regulating separation from certain bargaining units; regulating health and other fringe benefit coverages; providing duties for the commissioner of employee relations; amending Minnesota Statutes 1986, sections 43A.04, subdivision 7; 43A.15, subdivisions 2 and 11; 43A.17, subdivisions 1 and 9; 43A.18, subdivision 5; 43A.19, subdivision 1; 43A.23, subdivisions 1 and 3; 43A.27, subdivision 3, and by adding a subdivision; 175.101, by adding a subdivision; and 179A.10, subdivision 3; Minnesota Statutes 1987 Supplement, sections 15A.081, subdivisions 1 and 7b; 15A.083, subdivision 7; 43A.08, subdivision 1a; 43A.191, subdivision 3; 43A.316, subdivisions 2, 4, 8, and by adding a subdivision; 43A.421; 44A.02, subdivision 1; 79.34, subdivision 1; 176.611, subdivisions 2 and 3a; and 214.04, subdivision 3.

Senate File No. 2003 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 30, 1988

Mr. Moe, D.M. moved that the Senate do not concur in the amendments by the House to S.F. No. 2003, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 2226: A bill for an act relating to state government; amending certain provisions governing advisory councils, committees, and task forces; amending Minnesota Statutes 1986, sections 3.922, subdivision 3; 3.9225, subdivision 1; 3.9226, subdivision 1; 6.65; 15.059, subdivision 5; 79.51, subdivision 4; 84B.11, subdivision 1; 85A.02, subdivision 4; 115.54; 116C.59, subdivisions 1, 2, and 4; 116C.839; 121.83; 124.48, subdivision 3; 126.56, subdivision 5; 128A.03, subdivision 3; 135A.05; 136A.02, subdivision 7; 138.97, subdivision 3; 162.02, subdivision 2; 162.09, subdivision 2; 174.031, subdivision 2; 175.008; 182.653, subdivision 4e; 214.141; 248.10, subdivision 2; 254A.035, subdivision 2; 256C.28, subdivision 2; 299E.097; 611A.34, subdivision 1; 611A.71, by adding a subdivision; Minnesota Statutes 1987 Supplement, sections 15.059, subdivision 6; 16B.20, subdivision 2; 43A.316, subdivision 4; 115A.12, subdivision 1; 116J.971, by adding a subdivision; 120.17, subdivision 11a; 121.934, subdivision 1; 123.935, subdivision 7; 126.665; 129C.10, subdivision 3; 136A.02, subdivision 6; 144.672, subdivision 1; 175.007, subdivision 1; 245.697, subdivision 1; 245.97, subdivision 6; 246.56, subdivision 2; 256.482, subdivision 1; 256.73, subdivision 7; 256B.064, subdivision 1a; 256B.27, subdivision 3; 256B.433, subdivisions 1 and 4; 299A.23, subdivision 2; 299J.06, subdivision 4; repealing Minnesota Statutes 1986, sections 116J.04; 160.80, subdivision 6; 177.28, subdivision 2; 326.66; Minnesota Statutes 1987 Supplement, section 115A.12, subdivision 2.

Senate File No. 2226 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 30, 1988

Mr. Pogemiller moved that the Senate do not concur in the amendments by the House to S.F. No. 2226, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 2009: A bill for an act relating to family law; modifying and clarifying provisions for the collection and enforcement of child support;

providing for cost-of-living adjustments in spousal maintenance awards; providing for grandparent visitation rights in all family law proceedings; providing for reopening of judgments; providing for custody rights; clarifying and modifying provisions relating to pension plan rights in marriage dissolutions; amending Minnesota Statutes 1986, sections 69.62; 256.978; 257.022, subdivision 2; 270A.03, subdivision 4; 383B.51; 423A.16; 424A.02, subdivision 6; 490.126, by adding a subdivision; 518.145; 518.156, subdivision 1; 518.17, subdivision 3; 518.171, by adding a subdivision; 518.175, by adding a subdivision; 518.551, by adding a subdivision; 518.552, by adding a subdivision; 518.54, by adding a subdivision; 518.611, subdivision 10; 518.64, subdivision 2; and 518.641; Minnesota Statutes 1987 Supplement, sections 356.80; 518.54, subdivision 10; 518.58, subdivision 2; 518.581, subdivision 4; and 518.611, subdivision 2.

Senate File No. 2009 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 30, 1988

Ms. Berglin moved that the Senate do not concur in the amendments by the House to S.F. No. 2009, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1749:

H.F. No. 1749: A bill for an act relating to transportation; increasing the tax on gasoline and special fuel to 20 cents per gallon; increasing the share of motor vehicle excise tax revenues dedicated to highways and transit to 35 percent; amending Minnesota Statutes 1986, section 296.02, subdivision 1b; and Minnesota Statutes 1987 Supplement, sections 296.025, subdivisions 2a and 2b; and 297B.09, subdivision 1.

The House respectfully requests that a Conference Committee of 5 members be appointed thereon.

Kalis; Jensen; Lieder; Carlson, D. and Seaberg have been appointed as such committee on the part of the House.

House File No. 1749 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 30, 1988

Mr. Purfeerst moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1749, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 2031, 1750, 2536, 1981, 2127 and 2537.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 30, 1988

FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H.F. No. 2031: A bill for an act relating to waste management; requiring certain buildings to provide space for recycling; changing the definition of recyclable materials; specifying the responsibilities of the legislative commission on waste management; adding containment of hazardous waste as an item for which the waste management board may make grants; making industrial waste facilities eligible for processing facility loans; creating additional loan and grant programs for waste tire management; banning used oil from placement on the land; removing the county fee cap for waste disposal in the metropolitan area; adding the chair of the waste management board to the environmental quality board; repealing the expiration date of the legislative commission on waste management; appropriating money; amending Minnesota Statutes 1986, sections 16B.24, subdivision 6; 16B.61, by adding a subdivision; 115A.03, subdivisions 25a and 25b; 115A.14, subdivision 4; 115A.156, subdivision 3; 115A.165; 115A.912; 115A.914; 115A.919; 115B.17, by adding a subdivision; 473.803, subdivision 4; and 609.68; Minnesota Statutes 1987 Supplement, sections 115A.156, subdivisions 1 and 2; 115A.162; 115A.48; 115A.916; 115A.95; and 116C.03, subdivision 2; Laws 1980, chapter 564, article XII, section 1, subdivision 3, as amended; Laws 1987, chapters 348, section 51, subdivision 1; and 404, section 24, subdivisions 4 and 6; proposing coding for new law in Minnesota Statutes, chapters 115A and 325E; repealing Minnesota Statutes 1986, sections 115A.14, subdivision 6; and 115A.90, subdivision 4; Minnesota Statutes 1987 Supplement, sections 115A.14, subdivision 5; 115A.41; 116.55; and 116M.07, subdivision 14.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1891, now on Special Orders.

H.F. No. 1750: A bill for an act relating to transportation; creating a transportation study board and prescribing its duties; appropriating money.

Referred to the Committee on Governmental Operations.

H.F. No. 2536: A bill for an act relating to elections; providing that statewide computerized voter registration system satisfy requirements for duplicate registration file; establishing voter registration account and appropriating money; changing certain procedures related to registration cards, files, and records; changing certain procedures for voting, arranging names on ballots, and completing summary statements; permitting cities or counties to use their present voting systems for general elections; amending Minnesota Statutes 1986, sections 201.091, subdivisions 2 and 5; 204D.08, subdivision 5; Minnesota Statutes 1987 Supplement, sections 201.022,

subdivision 1; 201.071, subdivision 4; 204C.24, subdivision 1; 204D.08, subdivision 4; and 206.80; proposing coding for new law in Minnesota Statutes, chapter 201.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2398.

H.F. No. 1981: A bill for an act relating to claims against the state; providing for payment of various claims; appropriating money.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1863.

H.F. No. 2127: A bill for an act relating to health maintenance organizations; requiring insolvency insurance policies to be filed; requiring a deposit; creating a net worth requirement; allowing for a reduction of net worth in certain circumstances; defining admitted assets; imposing investment restrictions; requiring quarterly reports; providing for the inclusion of certain items in provider contracts; regulating rehabilitation and liquidations; including health maintenance organizations in the Life and Health Guaranty Association; requiring health maintenance organizations to maintain liabilities for unpaid claims; amending Minnesota Statutes 1986, sections 62D.02, by adding subdivisions; 62D.03, subdivision 4; 62D.041, subdivisions 1, 2, 3, 4, 7, and by adding subdivisions; 62D.05, subdivision 3; 62D.08, by adding a subdivision; 62D.12, subdivision 5, and by adding a subdivision; 62D.14, subdivision 1; 62D.18; 62D.19; 62E.02, subdivision 13; and 62E.14, subdivision 1; Minnesota Statutes 1987 Supplement, sections 62D.04, subdivision 1; and 62E.10, subdivision 9; proposing coding for new law in Minnesota Statutes, chapter 62D; repealing Minnesota Statutes 1986, section 62D.041, subdivisions 5, 6, and 8.

Referred to the Committee on Finance.

H.F. No. 2537: A bill for an act relating to horse racing; changing the date when the racetrack must submit its financial statement to the racing commission; allowing the breeders' fund to be used to supplement purses for Minnesota horses racing in nonrestricted races; amending Minnesota Statutes 1986, sections 240.15, subdivision 4; and 240.18.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1765, now on Special Orders.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 2111: A bill for an act relating to public utilities; pipeline safety; authorizing the office of pipeline safety to inspect and regulate intrastate pipeline facilities carrying liquefied natural gas, liquefied petroleum gas, and hazardous liquids; adopting federal safety regulations; removing the depth limitation for the one call excavation notice system; providing for the calculation of pipeline inspection fees; appropriating money; amending Minnesota Statutes 1986, sections 299F.56, subdivisions 1, 2, 4, 6, and by adding subdivisions; and 299F.59; Minnesota Statutes 1987 Supplement,

sections 116L.015, subdivision 3; 216D.01, subdivision 5; 299F.57, subdivision 1, and by adding a subdivision; 299F.58; 299F.62; 299F.63, subdivision 1; 299F.64; and 299J.12, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 299F; repealing Minnesota Statutes 1987 Supplement, section 299F.63, subdivision 4.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, delete line 4 and insert “, which may follow the board’s procedures for public”

Page 4, line 14, after “gas” insert “in”

Page 4, delete lines 28 to 34 and insert:

“Subd. 6. “Gas pipeline facilities” includes, without limitation, new and existing pipe ~~rights of way, rights-of-way,~~ and any equipment, facility, or building used in the transportation of gas or the treatment of gas during the course of transportation; ~~but “rights of way” as used in sections 299F.56 to 299F.64 does not authorize the state fire marshal to prescribe the location or routing of any pipeline facility.~~ “Pipeline”

Page 5, line 7, delete from the comma to page 5, line 9, “facility”

Page 5, line 18, after the period, insert “The standards may not prescribe the location or routing of a pipeline facility.”

Page 10, line 7, after the period, insert “The standards may not prescribe the location or routing of a pipeline facility.”

Page 11, line 1, delete “are authorized to” and insert “may”

Page 11, line 33, delete “such” and insert “the”

Page 12, line 36, after the period, insert paragraph coding

Page 13, lines 5 and 6, delete “state treasurer for deposit to the credit of” and insert “commissioner for deposit in the state treasury and credit to”

Page 13, delete line 26 and insert “41, for fiscal year 1988 does not cancel but is available for fiscal year 1989.”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 2025: A bill for an act relating to financial institutions; regulating the business of mortgage bankers, loan officers, general mortgage brokers, and individual mortgage brokers; establishing licensing requirements; detailing the supervising powers of the commissioner; prohibiting certain practices; prescribing penalties; appropriating money; amending Minnesota Statutes 1986, sections 56.01; and 82.18; Minnesota Statutes 1987 Supplement, section 82.17, subdivision 4; proposing coding for new law as Minnesota Statutes, chapter 57; repealing Minnesota Statutes 1987 Supplement, sections 47.206, subdivision 6; and 82.175.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 19, strike “(a)”

Page 1, strike lines 27 to 29

Page 2, strike lines 1 to 5

Page 2, line 6, strike everything before the stricken comma

Page 2, line 12, strike the period

Page 2, after line 19, insert:

"Subd. 2. [AGREEMENT OR INTEREST RATE OR DISCOUNT POINT AGREEMENT.] "Agreement" or "interest rate or discount point agreement" means a contract between a mortgage banker and a borrower under which the mortgage banker agrees, subject to the mortgage banker's underwriting and approval requirements, to make a loan at a specified interest rate or number of discount points, or both, and the borrower agrees to make a loan on those terms. The term also includes an offer by a mortgage banker that is accepted by a borrower under which the mortgage banker promises to guarantee or lock in an interest rate or number of discount points, or both, for a specific period of time."

Page 2, delete lines 29 to 36

Page 2, line 20, delete "2" and insert "3"

Page 2, line 22, delete "3" and insert "4"

Page 2, line 24, delete "4" and insert "5"

Page 2, line 27, delete "5" and insert "6"

Page 3, delete lines 1 to 3

Page 3, delete lines 15 to 25 and insert:

"Subd. 9. [LOAN OFFICER.] "Loan officer" means a person who acts or attempts to act on behalf of a mortgage banker with respect to soliciting or negotiating a mortgage loan with a borrower. The term includes both an officer or employee of a mortgage banker who is authorized to solicit or negotiate loans and who regularly solicits or negotiates loans, and a person who is responsible for the day to day management of a branch office or offices of a mortgage banker.

Subd. 10. [MORTGAGE BANKER.] "Mortgage banker" means a person making a mortgage loan."

Page 3, lines 32 and 34, delete the paragraph coding

Page 4, line 14, delete "No person shall" and insert "A person shall not"

Page 4, line 21, after "applications" insert a comma

Page 4, line 29, delete "pursuant to" and insert "under"

Page 5, line 10, delete "the state of Minnesota" and insert "this state"

Page 5, lines 14, 20, and 28, before "if" insert a comma

Page 5, line 33, delete "AND" and insert "OR"

Page 6, line 3, delete "and" and insert "or"

Page 6, line 10, delete "Minnesota" and insert "this state"

Page 6, line 17, before "An" insert "(a)"

Page 6, line 23, delete *"in the amount of"* and insert *"; or"*

Page 6, delete lines 24 to 34

Page 6, line 36, delete *", in an amount of not"* and insert a period

Page 7, delete lines 1 to 5 and insert:

"(b) If the applicant for a mortgage banker license provides a bond, it must be in the amount of \$100,000, issued by an insurer authorized to transact business in this state, with the state as obligee, conditioned for the prompt payment to a person entitled to it, other than an officer, partner, or employee of the licensee, from loss resulting from fraud, dishonesty, forgery, or theft in connection with a residential mortgage loan transaction by the licensee or an officer, agent, or employee. The aggregate liability of the surety to all persons for all losses is limited to the amount of the bond. The bond must remain operative for the term of the license.

(c) If the applicant for a mortgage banker license provides a line of credit, it must be for at least \$250,000 with a licensed mortgage banker, a lending institution whose deposits are insured by the Federal Savings and Loan Insurance Corporation or the Federal Deposit Insurance Corporation, or a person who is otherwise acceptable to the commissioner."

Page 7, line 8, delete *": (i)"*

Page 7, lines 10 and 12, delete *"pursuant to"* and insert *"under"*

Page 7, line 11, delete the semicolon and insert a comma and delete *"(ii)"*

Page 7, line 14, delete *"simultaneous"* and insert *"simultaneously"*

Page 7, line 17, delete *"shall"* and insert *"will"*

Page 7, line 27, delete *"AND"* and insert *"OR"*

Page 7, line 29, delete *"and"* and insert *"or"*

Page 7, line 30, delete *": (1)"*

Page 7, line 31, delete the semicolon and delete *"(2)"*

Page 8, line 3, delete *"and"* and insert *"or"*

Page 8, lines 10 and 11, delete *"shall"* and insert *"must"*

Page 8, line 14, delete *"AND"* and insert *"OR"*

Page 8, line 15, delete *"(a)"* and delete *"and"* and insert *"or"*

Page 8, delete lines 20 to 22

Page 8, lines 23 and 24, delete *"shall not be required to"* and insert *"need not"*

Page 8, line 28, delete *"and"* and insert *"or"* and delete *"be"*

Page 8, line 29, delete *"required to"*

Page 8, line 32, delete *"and"* and insert *"or"*

Page 8, line 34, delete *"be required to"*

Page 9, line 3, delete *"on or before"* and insert *"by"*

Page 9, line 4, delete *"on or"*

Page 9, lines 6 and 7, delete "*shall not be required to*" and insert "*need not*"

Page 9, line 9, delete "*on or before*" and insert "*by*"

Page 9, line 21, delete "*any*" and insert "*a*"

Page 9, line 27, delete "*be required to*"

Page 9, lines 32 and 33, delete "*shall not be required to*" and insert "*need not*"

Page 9, line 35, delete "DURATION" and insert "TERM"

Page 9, line 36, delete "(a) Every" and insert "Subdivision 1. [TERM.] A"

Page 10, delete line 1 and insert "*expires the next September 30.*"

Page 10, line 2, delete "(b)" and insert "Subd. 2. [LIMITATION.]" and delete "*shall*" and insert "*must*"

Page 10, line 6, delete "*during the same period of*" and insert "*at the same*"

Page 10, line 7, before "*The*" insert "Subd. 3. [TRANSFERS.] (a)"

Page 10, line 10, delete "(c)" and insert "(b)"

Page 10, line 14, delete "*that*" and insert "*the*"

Page 10, line 15, delete "*either upon the mailing of*" and insert "*upon mailing or personally delivering*"

Page 10, lines 16 and 17, delete "*by mail or upon personal delivery of the fee and documents*"

Page 10, line 19, delete "(d)" and insert "Subd. 4. [REINSTATEMENT.]"

Page 10, delete line 26, and insert:

"Subdivision 1. [APPLICATION.] A person whose renewal application has been properly"

Page 10, line 27, delete "*have*" and insert "*has*"

Page 10, line 28, delete "*whether or not*" and insert "*even if*"

Page 10, line 29, after "*has*" insert "*not*" and delete "*on or before*" and insert "*by*"

Page 10, line 32, delete "*in*"

Page 10, line 36, delete "(b)" and insert "Subd. 2. [ANNUAL REPORT.]"

Page 11, line 7, delete "(a) Any" and insert "Subdivision 1. [RECORDS MAINTAINED.] A"

Page 11, line 9, delete "*its*" and insert "*the person's*"

Page 11, line 13, after "*from*" insert "*any*"

Page 11, line 16, delete "(b) Any" and insert "Subd. 2. [RECORDS RETAINED.] A"

Page 11, line 21, delete "Any" and insert "A"

Pages 11 to 16, delete section 12 and insert:

“Sec. 12. [57.12] [PROHIBITED PRACTICES.]

Subdivision 1. [GENERALLY.] A person, whether or not licensed under this chapter, while making or brokering a mortgage loan or administering an escrow account shall not:

- (1) fill in or change the interest rate or number of discount points, or both, contained in an interest rate or discount point agreement after the interest rate or discount point agreement is executed by the parties;*
- (2) fail to reply within ten business days of receipt to all communications from a borrower about the borrower's loan that reasonably indicate that a response is requested or needed;*
- (3) if acting as a mortgage banker or loan officer, fail to require the person closing the mortgage loan to provide to the borrower before closing the mortgage loan a settlement statement and a disclosure that conforms to that required by United States Code, title 15, section 1604, and Regulation Z, Code of Federal Regulations, title 12, part 226;*
- (4) in the conduct of affairs under the license, engage in deceptive, fraudulent, incompetent, or dishonest practices;*
- (5) charge an unreasonable fee;*
- (6) pay a referral fee;*
- (7) induce a borrower or a third party to misrepresent information that is the subject of a loan application;*
- (8) misrepresent the terms and conditions of the loan agreement;*
- (9) fail to notify the commissioner, in writing, of a change of information contained in the license application on file with the commissioner within ten business days of the change;*
- (10) in the application form, fail to disclose money received or to be received, including but not limited to application fees, deposits, or charges made at the time of deposit, or the money disbursed or to be disbursed and the purposes of the disbursement;*
- (11) fail to disburse money in accordance with any agreement connected with, and promptly upon closing of, a mortgage loan, taking into account any applicable right of rescission;*
- (12) refuse to permit an investigation or examination by the commissioner or fail to comply with an order of the commissioner;*
- (13) fail to pay any fee, fine, or assessment imposed by the commissioner;*
- (14) use or cause to be published an advertisement that contains a false, misleading, or deceptive statement or representation;*
- (15) use or cause to be published an advertisement that contains a reference to the fact that the mortgage banker, loan officer, general mortgage broker, or individual mortgage broker is regulated or supervised by the commissioner;*
- (16) use or cause to be published an advertisement that identifies the mortgage banker, loan officer, general mortgage broker, or individual mortgage broker by a name other than the name on the license issued by the commissioner;*
- (17) fail reasonably to supervise licensees or employees to ensure their*

compliance with this chapter;

(18) fail to deliver to a borrower, within 48 hours of a request from the borrower, an appraisal for which payment has been received by the mortgage banker or loan officer, in the event the borrower's loan application has failed to meet the mortgage banker's requirements for approval;

(19) upon receipt of an application for a mortgage loan, or at any time before receipt, fail to provide to the borrower an itemized list of the fees the borrower must pay at the time of application, and a statement of which fees will or will not be refunded if the application is withdrawn or denied; if there is more than one borrower, the information may be provided to one of them; or

(20) refuse to honor a written purchase agreement between the borrower and the seller relating to which party may lock in the interest rate or discount points.

Subd. 2. [ESCROW ACCOUNTS.] (a) If directly or indirectly administering an escrow account, the person shall not increase the amount held in escrow by more than ten percent of the prior year's disbursements from the escrow account without having first provided the borrower with a written explanation specifically identifying the reasons for the increase.

(b) The person shall not fail or cause a failure to make a payment for either insurance or taxes, or both, by the required due date. If the mortgage banker, loan officer, general mortgage broker, or individual mortgage broker fails to make or causes a failure to make the payments by the due date, the person is liable to the mortgagor for actual damages caused by the failure to pay the amounts when due. In addition, the person is liable for \$500 per occurrence if the person cannot prove that the failure to make or the action causing the failure to make the payments by the due date was not because of negligence or intentional conduct.

(c) The person shall not fail to provide a borrower with an annual written analysis of an escrow account that is maintained by the mortgage banker for the payment of real property taxes or hazard insurance, including notice that the escrow account has a surplus or a shortage if one exists.

Subd. 3. [INSURANCE.] (a) A person, whether or not licensed under this chapter, while making or brokering a mortgage loan or administering an escrow account shall not require a borrower to purchase or renew an insurance policy from a designated carrier, agent, or agency. A mortgage banker is not prohibited from:

(1) disapproving an insurer or policy of insurance where there are reasonable grounds to believe that the insurer is insolvent or that the insurance is unsatisfactory as to placement with an unauthorized insurer, adequacy of the coverage, adequacy of the insurer to assume the risk to be insured, the assessment features to which the policy is subject, or other grounds that are based on the nature of the coverage and that are not arbitrary, unreasonable, or discriminatory;

(2) requiring that a policy or renewal of insurance be in conformance with standards of the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation; or

(3) securing insurance or a renewal at the request of a borrower or because of the failure of the borrower to furnish the necessary insurance or renewal.

(b) The person shall not require a borrower to obtain a policy of insurance covering the mortgaged property that exceeds the replacement cost of the buildings on the mortgaged property. A mortgage banker is not prohibited from requiring that a policy or renewal of insurance be in conformance with the standards of the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation.

Subd. 4. [GENERAL OR INDIVIDUAL MORTGAGE BROKERS.] (a) A person, whether or not licensed under this chapter, while brokering a mortgage loan shall not:

(1) except for documented out-of-pocket expenses paid or to be paid to third parties and necessary to obtain a loan commitment, receive compensation from a borrower until a written commitment to make a mortgage loan is given to the borrower by a mortgage banker or loan officer;

(2) fail to deposit in a trust account in a depository financial institution located within this state, within 48 hours of receipt, all fees received before a loan is actually funded;

(3) receive compensation from a borrower in connection with a mortgage loan transaction in which the general mortgage broker or individual mortgage broker is the mortgage banker, loan officer, or a principal stockholder, partner, trustee, director, or officer of the mortgage banker; or

(4) receive compensation from the borrower other than that specified in a written agreement signed by the borrower.

(b) The person shall not receive compensation from the borrower for acting as a general mortgage broker or individual mortgage broker without first entering into a written contract with the borrower that:

(1) identifies the trust account into which the fees or consideration will be deposited;

(2) sets forth the circumstances under which the general and individual mortgage broker will be entitled to disbursement from the trust account;

(3) sets forth the circumstances under which the borrower will be entitled to a refund of all or part of the fee;

(4) specifically describes the services to be provided by the general and individual mortgage broker and the dates by which the services will be performed;

(5) states the maximum rate of interest to be charged on any loan obtained;

(6) discloses, with respect to the 12-month period ending ten business days before the date of the contract in question, the percentage of the general mortgage broker's customers for whom loans have actually been funded as a result of the mortgage broker's services (this disclosure need not be made for any period before the effective date of this section); and

(7) discloses the cancellation rights and procedures in section 13."

Page 16, line 9, delete "the time"

Page 16, line 11, delete "at any time until" and insert "before"

Page 16, line 12, delete "on which" and delete "is" and insert "was"

Page 16, line 20, delete "No act of a" and insert "A"

Page 16, lines 21 and 22, delete "is effective to" and insert "may not"

Page 16, line 22, delete "as"

Page 16, line 34, after the semicolon, insert "or"

Page 17, line 2, delete "any"

Page 17, line 8, delete "THE TERM MORTGAGE BANKER," and insert "TERMS.]"

Page 17, delete lines 9 and 10

Page 17, line 11, delete "No persons" and insert "A person"

Page 17, line 13, delete "persons" and insert "a person"

Page 17, line 14, after "may" insert "not" and delete "themselves to be" and insert "that the person is"

Page 17, line 17, delete "pursuant to" and insert "under"

Page 17, lines 17 and 18, delete "of this act"

Page 17, line 19, delete "willfully" and insert "intentionally"

Page 17, line 22, delete "constitutes" and insert "is"

Page 17, line 23, delete "any" and insert "one"

Page 17, line 25, delete "under" and insert "of"

Page 17, line 26, delete "RIGHT OF FINANCIAL INSTITUTION TO ELECT" and insert "ELECTION TO BE LICENSED.]"

Page 17, delete line 27

Page 17, line 28, delete "(a)" and delete "exemption provided" and insert "exemptions"

Page 17, line 36, delete the paragraph coding and delete "(b)"

Page 18, line 2, delete "by virtue of the election"

Page 18, line 5, before "A" insert "Subdivision 1. [DUTY TO REPORT.]"

Page 18, line 9, delete "that" and insert "the"

Page 18, line 12, delete "shall not provide" and insert "is not"

Page 18, line 16, before "A" insert "Subd. 2. [PENALTY.]"

Page 18, line 20, delete "any" and insert "one"

Page 18, line 21, delete "under" and insert "of"

Page 21, line 36, delete "\$100,000" and insert "\$37,800"

Page 22, line 1, delete "for the purposes of administering" and insert "to administer"

Page 22, line 4, delete "three positions" and insert "one position"

Page 22, delete section 23 and insert:

"Sec. 23. [EFFECTIVE DATE; APPLICABILITY.]

This act is effective the day following final enactment. A mortgage banker or general mortgage broker need not be licensed before October 1, 1988. A loan officer or individual mortgage broker need not be licensed before the commissioner has conducted the first examination for a loan officer

or individual mortgage broker license. The first examination must be conducted by the commissioner within two months after a testing service has been certified by the commissioner, but not later than October 1, 1989."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 1912: A bill for an act relating to health and human services; requiring the commissioner of health to implement an infant formula rebate system for the W.I.C. program; requiring written materials provided to clients under programs administered or supervised by the departments of human services, health, and jobs and training to be in plain language and readable at the seventh-grade level; establishing a local income assistance grant program to increase the use of food stamps by homeless individuals; appropriating money; amending Minnesota Statutes 1986, section 145.894; proposing coding for new law in Minnesota Statutes, chapters 144, 256, and 268.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 18, delete "7" and insert "6"

Page 1, line 30, after "to" insert "services and"

Page 2, line 12, delete "new"

Page 2, line 13, after "materials" insert "modified or" and delete "October" and insert "July"

Page 2, line 14, delete everything after "1988"

Page 2, line 15, delete everything before the period

Page 4, lines 3 and 32, after "to" insert "services and"

Page 4, line 22, delete "new"

Page 4, line 23, after "materials" insert "modified or" and delete "October" and insert "July"

Page 4, line 24, delete everything after "1988"

Page 4, line 25, delete everything before the period

Page 5, line 15, delete "new"

Page 5, line 16, after "materials" insert "modified or" and delete "October" and insert "July"

Page 5, line 17, delete everything after "1988"

Page 5, line 18, delete everything before the period

Page 6, lines 8 and 9, delete "money to equally match or supplement" and insert "reimbursement for"

Page 6, line 9, delete "appropriated under section 7" and insert "used"

Page 6, line 10, after the period, insert "Federal money received is appropriated to the commissioner for purposes of this section."

Page 6, delete section 7

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 11, delete "appropriating money;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 1809: A bill for an act relating to communication-impaired persons; requiring the commissioner of human services to provide assistance in implementing the program that provides telephones to communication-impaired persons; making other technical changes in the program; amending Minnesota Statutes 1987 Supplement, sections 237.50, subdivision 4; 237.51, subdivision 5; 237.52, subdivision 5, and by adding a subdivision; and 237.53, subdivisions 3, 4, 6, and 7; repealing Minnesota Statutes 1987 Supplement, section 237.53, subdivision 8.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 15, strike "and"

Page 2, after line 15, insert:

"(9) adopt rules, including emergency rules, under chapter 14 to implement sections 237.50 to 237.56; and"

Page 2, line 16, strike "(9)" and insert "(10)"

Page 2, after line 22, insert:

"Sec. 3. Minnesota Statutes 1987 Supplement, section 237.52, subdivision 3, is amended to read:

Subd. 3. [COLLECTION.] Every telephone company providing local service in this state shall collect the charges established by the commission under subdivision 2 and transfer amounts collected to the commissioner of administration in the same manner as provided in section 403.11, subdivision 1, paragraph (c). The commissioner of administration must deposit the receipts in the *state treasury and credit them to the general fund established in subdivision 4.*"

Page 2, line 25, strike "Money in the fund" and insert "*Appropriations to the board*"

Page 3, line 6, strike "from the fund"

Page 3, delete section 4

Page 3, line 28, strike everything after "the"

Page 3, strike line 29

Page 3, line 30, before the period, insert "*, subdivision 5*"

Page 4, line 9, delete "*of Minnesota*"

Page 4, after line 21, insert:

"Sec. 9. [APPROPRIATION.]

\$2,918,000 is appropriated from the general fund to the telecommunication access for communication-impaired persons board to administer Minnesota Statutes, sections 237.50 to 237.56. \$396,000 is for fiscal year 1988 and \$2,522,000 is for fiscal year 1989."

Page 4, line 23, delete "section" and insert "sections 237.50, subdivision 6; 237.52, subdivisions 1 and 4; and"

Page 4, line 24, delete "is" and insert "are"

Page 4, line 26, delete "Sections 1 to 9 are" and insert "This act is"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, after the semicolon, insert "appropriating money;"

Page 1, delete line 9 and insert "subdivisions 3 and 5; and"

Page 1, line 11, delete "section" and insert "sections 237.50, subdivision 6; 237.52, subdivisions 1 and 4; and"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 2465: A bill for an act relating to state agencies; amending the authority of the Minnesota amateur sports commission; correcting references; authorizing the commission to establish nonprofit corporations and charitable foundations; providing for an advisory task force on martial arts instruction; amending Minnesota Statutes 1987 Supplement, sections 16A.661, subdivision 3; 240A.02, subdivision 2; 240A.03, subdivision 10, and by adding a subdivision; and 297A.44, subdivision 1; and Laws 1987, chapter 400, section 13.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, line 33, strike "paragraph (a)" and insert "clause (1)" and strike the colon

Page 3, strike lines 34 to 36

Page 4, line 1, strike "amateur athletic facilities account set up for this purpose;"

Page 4, lines 2 to 4, strike the old language and delete the new language

Page 4, line 5, delete "(iii)" and insert a comma

Page 4, line 10, strike "amateur"

Page 4, strike line 11

Page 4, line 12, strike "the" and delete the new language

Page 4, line 13, delete "sales tax" and strike "revenue" and insert "general"

Page 4, delete section 8

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Merriam from the Committee on Finance, to which was referred

S.F. No. 1863: A bill for an act relating to claims against the state; providing for payment of various claims; appropriating money.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, after line 4, insert:

"Subd. 4. Dennis Farrell, 365 Case Street, St. Paul, Minnesota 55101, for permanent partial disability to his head and scarring of his eyebrow due to injuries he received while performing assigned duties at the Minnesota correctional facility - Lino Lakes \$4,000."

Page 3, line 7, after "back" insert ", medical expenses, lost wages, and retraining costs"

Page 3, line 9, delete "\$10,500" and insert "\$18,587.80"

Renumber the subdivisions in sequence

Page 5, delete lines 25 to 29 and insert:

"Subd. 2. (a) Dwight DeGroot, Rural Route 1, Box 108, Magnolia, Minnesota 56158, for wages lost due to an injury to his left wrist received while he was performing assigned duties as a resident of the Willmar regional treatment center \$750.00.

(b) Luverne Medical Center, 300 East Brown, Luverne, Minnesota 56156, for medical services furnished to Dwight DeGroot for the injury described in paragraph (a) \$289.25."

Page 5, after line 33, insert:

"Subd. 4. Mahnomon County Hearings Unit, c/o Dorsey and Whitney, 2200 First Bank Place East, Minneapolis, Minnesota 55402, for legal fees incurred in the state's appeal of the hearings unit's decision \$28,987.

Subd. 5. Rainy Lake International, c/o James McCarthy, chairman, 1505 Concord Street, South St. Paul, Minnesota 55075, for loss of equity in a fish processing plant due to the elimination of commercial fishing on Rainy Lake \$47,926."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Merriam from the Committee on Finance, to which was referred

H.F. No. 2434: A bill for an act relating to the city of Duluth; authorizing the expenditure of previously appropriated funds for acquisition or construction of Duluth's Western Waterfront Trail.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 9, delete "Notwithstanding any contrary provision of other law,"

Page 1, line 15, delete "LOCAL APPROVAL" and insert "EFFECTIVE DATE"

Page 1, line 16, delete "after compliance with" and insert "following final enactment."

Page 1, delete lines 17 and 18

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 2059: A bill for an act relating to state agencies; increasing the powers of the state board for community colleges; changing the criteria for board membership; amending, enacting and repealing certain laws administered by the department of administration; authorizing the commissioner of jobs and training to sell certain property and to buy other property; amending Minnesota Statutes 1986, sections 3.9223, subdivision 5; 15.0591, subdivision 2; 16A.41, subdivision 1; 16B.07, subdivisions 2 and 3; 16B.08, subdivision 4; 16B.09, subdivision 3; 16B.27, subdivision 3; 16B.28; 16B.42, subdivision 1; 16B.48, subdivision 2; 16B.54, subdivision 8; 16B.55, subdivisions 3 and 6; 16B.65, subdivision 3; 16B.85; 94.12; 136.61, subdivision 1; 136.622; 136.67, subdivision 2; 214.07, subdivision 1; 268.0122, by adding a subdivision; and 382.153; Minnesota Statutes 1987 Supplement, sections 16B.09, subdivision 1; 16B.67; 115A.15, subdivision 6; and 168.012, subdivision 1; Laws 1987, chapter 365, section 24; proposing coding for new law in Minnesota Statutes, chapters 16B and 136; repealing Minnesota Statutes 1986, sections 15.38; 16B.29; and 214.07, subdivision 2.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, line 33, after the period, insert "*The transfer must be repaid within 18 months.*"

Page 7, line 11, before the second comma, insert ", and Indian tribal government"

Pages 11 and 12, delete section 14

Page 24, delete lines 24 to 26 and insert:

"Sec. 28. [MINNEAPOLIS ECONOMIC SECURITY BUILDING.]

Notwithstanding Minnesota Statutes,"

Page 26, line 8, delete "2" and insert "4"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 13, delete "16B.54, subdivision 8;"

Page 1, lines 16 and 17, delete "268.0122, by adding a subdivision;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 2398: A bill for an act relating to elections; providing that statewide computerized voter registration system satisfy requirements for duplicate registration file; establishing voter registration account and appropriating money; changing certain procedures related to registration cards, files, and records; changing certain procedures for filing, voting, arranging

names on ballots, and completing summary statements; permitting cities or counties to use their present voting systems for general elections; amending Minnesota Statutes 1986, sections 201.091, subdivisions 2 and 5; 204B.09, subdivision 1; 204D.08, subdivision 5; Minnesota Statutes 1987 Supplement, sections 201.022, subdivision 1; 201.071, subdivision 4; 204C.24, subdivision 1; 204D.08, subdivision 4; and 206.80; proposing coding for new law in Minnesota Statutes, chapter 201.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 9, delete "*continually*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was referred

H.F. No. 2117: A bill for an act relating to public finance; providing conditions of local and state government debt financing; allocating bonding authority subject to a volume cap under federal tax law; amending Minnesota Statutes 1987 Supplement, sections 474A.04, subdivision 1a; 474A.061, subdivisions 2 and 4; and 474A.091; repealing Minnesota Statutes 1987 Supplement, section 474A.061, subdivision 5.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 11, insert:

"Section 1. Minnesota Statutes 1986, section 473F01, is amended to read:

473F01 [PURPOSE.]

Subdivision 1. [OBJECTIVES.] The legislature finds it desirable to improve the revenue raising and distribution system in the seven county Twin Cities area to accomplish the following objectives:

(1) To provide a way for local governments to share in the resources generated by the growth of the area, without removing any resources which local governments already have;

(2) To increase the likelihood of orderly urban development by reducing the impact of fiscal considerations on the location of business and residential growth and of highways, transit facilities and airports;

(3) To establish incentives for all parts of the area to work for the growth of the area as a whole;

(4) To provide a way whereby the area's resources can be made available within and through the existing system of local governments and local decision making;

(5) To help communities in different stages of development by making resources increasingly available to communities at those early stages of development and redevelopment when financial pressures on them are the greatest; *and*

(6) To encourage protection of the environment by reducing the impact of fiscal considerations so that flood plains can be protected and land for

parks and open space can be preserved; and

(7) To provide for the distribution to municipalities of additional revenues generated within the area or from outside sources pursuant to other legislation.

Subd. 2. [USE OF PROCEEDS.] The proceeds from the area-wide tax imposed under this chapter must only be used by a governmental unit in the same manner and for the same purposes as the proceeds from other ad valorem taxes levied by the local governmental unit.

Sec. 2. Minnesota Statutes 1987 Supplement, section 473F02, subdivision 3, is amended to read:

Subd. 3. "Commercial-industrial property" means the following categories of property, as defined in section 273.13, excluding that portion of such property (1) which may, by law, constitute the tax base for a tax increment pledged pursuant to section 469.042 or 469.162, certification of which was requested prior to August 1, 1979, to the extent and while such tax increment is so pledged; (2) which may, by law, constitute the tax base for tax revenues set aside and paid over for credit to a sinking fund pursuant to direction of the city council in accordance with Laws 1963, chapter 884, as amended, to the extent that such revenues are so treated in any year except that if new debt is incurred in the district after January 1, 1989, for which tax increment is pledged, then any increase in tax base which occurs in the district after January 1, 1989, shall be included in the definition of commercial-industrial for purposes of this chapter; or (3) (2) which is exempt from taxation pursuant to section 272.02:

(a) That portion of class 3 property defined in Minnesota Statutes 1971, section 273.13, consisting of stocks of merchandise and furniture and fixtures used therewith; manufacturers' materials and manufactured articles; and tools, implements and machinery, whether fixtures or otherwise.

(b) That portion of class 4 property defined in Minnesota Statutes 1971, section 273.13, which is either used or zoned for use for any commercial or industrial purpose, *excluding vacant land classified under section 273.13, subdivision 31, and* except for such property which is, or, in the case of property under construction, will when completed be used exclusively for residential occupancy and the provision of services to residential occupants thereof. Property shall be considered as used exclusively for residential occupancy only if each of not less than 80 percent of its occupied residential units is, or, in the case of property under construction, will when completed be occupied under an oral or written agreement for occupancy over a continuous period of not less than 30 days.

If the classification of property prescribed by section 273.13 is modified by legislative amendment, the references in this subdivision shall be to such successor class or classes of property, or portions thereof, as embrace the kinds of property designated in this subdivision.

Sec. 3. Minnesota Statutes 1987 Supplement, section 473F02, subdivision 12, is amended to read:

Subd. 12. "Market value" of real property within a municipality means the "actual market value" of real and personal property within the municipality, determined in the manner and with respect to the property described

for school districts in section 475.53, subdivision 4, except that no adjustment shall be made for property on which taxes are paid into the state treasury under gross earnings tax laws applicable to common carrier railroads. For purposes of sections 473F01 to 473F13, the commissioner of revenue shall annually make determinations and reports with respect to each municipality which are comparable to those it makes for school districts under section 124.2131, subdivision 1, in the same manner and at the same times as are prescribed by the subdivision. The commissioner of revenue shall annually determine, for each municipality, information comparable to that required by section 475.53, subdivision 4, for school districts, as soon as practicable after it becomes available. The commissioner of revenue shall then compute the market value of property within each municipality. *The market value of manufactured homes contained in section 274.19 that are assessed as personal property must also be included in the definition of market value for purposes of this subdivision.*

Sec. 4. Minnesota Statutes 1987 Supplement, section 473F06, is amended to read:

473F06 [INCREASE IN ASSESSED VALUATION.]

On or before September 1 of 1976 1988 and each subsequent year, the auditor of each county in the area shall determine the amount, if any, by which the assessed valuation determined in the preceding year pursuant to section 473F05, of commercial-industrial property subject to taxation within each municipality in the auditor's county exceeds the assessed valuation in 1971 of commercial-industrial property *as defined in Minnesota Statutes 1987 Supplement, section 473F02, subdivision 3*, subject to taxation within that municipality. If a municipality is located in two or more counties within the area, the auditors of those counties shall certify the data required by section 473F05 to the county auditor who is responsible under other provisions of law for allocating the levies of that municipality between or among the affected counties. That county auditor shall determine the amount of the net excess, if any, for the municipality under this section, and certify that amount under section 473F07. Notwithstanding any other provision of sections 473F01 to 473F13 to the contrary, in the case of a municipality which is designated on July 24, 1971, as a redevelopment area pursuant to section 401(a)(4) of the Public Works and Economic Development Act of 1965, Public Law Number 89-136, the increase in its assessed valuation of commercial-industrial property for purposes of this section shall be determined in each year ~~subsequent to the termination of such designation~~ by using as a base the assessed valuation of commercial-industrial property in that municipality in the 1987 assessment year ~~following that in which such designation is terminated~~, rather than the assessed valuation of such property in 1971, *provided, however, that beginning with taxes payable in 1989, that 1987 base year amount will be reduced by five percent per year for 20 years. For taxes payable in 2008 and subsequent years, there shall be no 1987 base value subtraction for this designated municipality.* The increase in assessed valuation determined by this section shall be reduced by the amount of any decreases in the assessed valuation of commercial-industrial property resulting from any court decisions, court related stipulation agreements, or abatements for a prior year, and only in the amount of such decreases made during the 12-month period ending on June 30 of the current assessment year, where such decreases, if originally reflected in the determination of a prior year's valuation under section 473F05, would have resulted in a smaller contribution from the municipality in that year.

An adjustment for such decreases shall be made only if the municipality made a contribution in a prior year based on the higher valuation of the commercial-industrial property.

Sec. 5. Minnesota Statutes 1987 Supplement, section 473F07, subdivision 1, is amended to read:

Subdivision 1. Each county auditor shall certify the determinations pursuant to sections 473F05 and 473F06 to the administrative auditor on or before November 20 of each year. ~~The administrative auditor shall determine the sum of the amounts certified pursuant to section 473F06, and divide that sum by 2-1/2. The resulting amount shall be known as the "area-wide tax base for - - - - - (year)."~~ *The administrative auditor shall adjust each municipality's most recent commercial-industrial assessed valuation as certified under section 473F05 by the median commercial-industrial sales ratio for that municipality pursuant to paragraphs (a) and (b), except that no adjustment shall be made to the assessed valuation of that part of the commercial-industrial value that constitutes state assessed property.*

(a) The commissioner of revenue shall certify to the administrative auditor the latest available median commercial-industrial sales ratio for each municipality which has been determined by the department of revenue using a 21-month sales period and which has been adjusted for time and terms of financing. If the commissioner deems that there are an insufficient number of sales in the study to determine a valid commercial-industrial sales ratio for a given municipality, that municipality's sales ratio for purposes of this section will be the county-wide median sales ratio for commercial-industrial property for the county in which the municipality is located. The administrative auditor shall divide each municipality's commercial-industrial assessed valuation by the sales ratio certified for each municipality. The result is the municipality's equalized commercial-industrial assessed valuation.

(b) The commissioner shall also certify an adjusted sales ratio to the administrative auditor for each municipality. For taxes payable in 1989 and each year thereafter, the commissioner shall add three percentage points to the municipality's median commercial-industrial sales ratio for the assessment year ending two years prior to the calendar year in which the computation of area-wide tax base is made. The commissioner shall compare that adjusted ratio to the most recent median commercial-industrial sales ratio that has been determined by the department for that municipality and shall certify to the administrative auditor the ratio which is the highest, provided that if the higher ratio exceeds 90 percent, then a 90 percent sales ratio will be certified for the municipality. Each municipality's adjusted sales ratio shall be multiplied by its equalized commercial-industrial assessed value. The result is the municipality's adjusted commercial-industrial assessed valuation.

Sec. 6. Minnesota Statutes 1986, section 473F07, is amended by adding a subdivision to read:

Subd. 1a. The administrative auditor shall determine each municipality's contribution to the area-wide tax base. From the municipality's adjusted commercial-industrial assessed valuation, the administrative auditor shall subtract a percentage of the 1971 commercial-industrial base assessed valuation, according to the following schedule:

- For taxes payable 1989, 95 percent of 1971 base assessed valuation;*
- For taxes payable 1990, 90 percent of 1971 base assessed valuation;*
- For taxes payable 1991, 85 percent of 1971 base assessed valuation;*
- For taxes payable 1992, 80 percent of 1971 base assessed valuation;*
- For taxes payable 1993, 75 percent of 1971 base assessed valuation;*
- For taxes payable 1994, 70 percent of 1971 base assessed valuation;*
- For taxes payable 1995, 65 percent of 1971 base assessed valuation;*
- For taxes payable 1996, 60 percent of 1971 base assessed valuation;*
- For taxes payable 1997, 55 percent of 1971 base assessed valuation;*
- For taxes payable 1998, 50 percent of 1971 base assessed valuation;*
- For taxes payable 1999, 45 percent of 1971 base assessed valuation;*
- For taxes payable 2000, 40 percent of 1971 base assessed valuation;*
- For taxes payable 2001, 35 percent of 1971 base assessed valuation;*
- For taxes payable 2002, 30 percent of 1971 base assessed valuation;*
- For taxes payable 2003, 25 percent of 1971 base assessed valuation;*
- For taxes payable 2004, 20 percent of 1971 base assessed valuation;*
- For taxes payable 2005, 15 percent of 1971 base assessed valuation;*
- For taxes payable 2006, 10 percent of 1971 base assessed valuation;*
- For taxes payable 2007, 5 percent of 1971 base assessed valuation;*

For taxes payable 2008 and subsequent years, there shall be no 1971 base value subtraction.

The administrative auditor shall multiply that sum by the following schedule:

- For taxes payable 1989, 38 percent;*
- For taxes payable 1990, 36 percent;*
- For taxes payable 1991, 34 percent;*
- For taxes payable 1992, 32 percent;*
- For taxes payable 1993 and subsequent years, 30 percent.*

The total of the resulting amounts for all municipalities shall be known as the "areawide tax base for (year)."

Sec. 7. Minnesota Statutes 1986, section 473E07, subdivision 3, is amended to read:

Subd. 3. The administrative auditor shall determine, for each municipality, the product of (a) its population, and (b) the proportion which the average fiscal capacity of municipalities for the preceding year bears to the fiscal capacity of that municipality for the preceding year, and (c) two. The product shall be the areawide tax base distribution index for that municipality, provided that (a) if the product in the case of any municipality is less than its population, its index shall be increased to its population, and (b) if a municipality is located partly within and partly without the area its index shall be that which is otherwise determined hereunder, multiplied by the

proportion which its population residing within the area bears to its total population as of the preceding year.

Sec. 8. Minnesota Statutes 1987 Supplement, section 473F08, subdivision 2, is amended to read:

Subd. 2. The taxable value of a governmental unit is its assessed valuation, as determined in accordance with other provisions of law including section 469.177, subdivision 3, subject to the following adjustments:

(a) There shall be subtracted from its assessed valuation, in each municipality in which the governmental unit exercises ad valorem taxing jurisdiction, an amount which bears the same proportion to 40 percent of the contribution amount as equalized and certified in that year pursuant to ~~section~~ sections 473F06 and 473F07 in respect to that municipality as the total preceding year's assessed valuation of commercial-industrial property which is subject to the taxing jurisdiction of the governmental unit within the municipality, determined without regard to section 469.177, subdivision 3, bears to the total preceding year's assessed valuation of commercial-industrial property within the municipality, determined without regard to section 469.177, subdivision 3;

(b) There shall be added to its assessed valuation, in each municipality in which the governmental unit exercises ad valorem taxing jurisdiction, an amount which bears the same proportion to the areawide base for the year attributable to that municipality as the total preceding year's assessed valuation of residential property which is subject to the taxing jurisdiction of the governmental unit within the municipality bears to the total preceding year's assessed valuation of residential property of the municipality.

Sec. 9. Minnesota Statutes 1987 Supplement, section 473F08, subdivision 6, is amended to read:

Subd. 6. The rate of taxation determined in accordance with subdivision 5 shall apply in the taxation of each item of commercial-industrial property subject to taxation within a municipality, including property located within any tax increment financing district, as defined in section 469.174, subdivision 9, to that portion of the assessed valuation of the item which bears the same proportion to its total assessed valuation as 40 percent of the contribution amount as equalized and determined pursuant to ~~section~~ sections 473F06 and 473F07 in respect to the municipality in which the property is taxable bears to the amount determined pursuant to section 473F05. The rate of taxation determined in accordance with subdivision 4 shall apply in the taxation of the remainder of the assessed valuation of the item.

Sec. 10. Minnesota Statutes 1986, section 473F13, subdivision 1, is amended to read:

Subdivision 1. If a qualifying municipality is dissolved, is consolidated with all or part of another municipality, annexes territory, has a portion of its territory detached from it, or is newly incorporated, the secretary of state shall immediately certify that fact to the commissioner of revenue. The secretary of state shall also certify to the commissioner of revenue the current population of the new, enlarged, or successor municipality, if determined by the Minnesota municipal board incident to consolidation, annexation, or incorporation proceedings. The population so certified shall govern for purposes of sections 473F01 to 473F13 until the metropolitan council files its first population estimate as of a later date with the commissioner of revenue. If an annexation of unincorporated land occurs without proceedings before

the Minnesota municipal board, the population of the annexing municipality as previously determined shall continue to govern for purposes of sections 473F01 to 473F13 until the metropolitan council files its first population estimate as of a later date with the commissioner of revenue."

Page 8, after line 21, insert:

"Sec. 15. [FISCAL DISPARITIES STUDY COMMISSION.]

Subdivision 1. [CREATION; MEMBERSHIP.] A fiscal disparities study commission is created, effective June 1, 1993, consisting of five members of the senate appointed by the subcommittee on committees of the senate rules committee and five members of the house of representatives appointed by the speaker of the house. The commission shall select from its members a chair or co-chairs and other officers it deems necessary.

Subd. 2. [STUDIES.] The commission shall study the operation and impact of the fiscal disparities system and consider changes in the system that could enable it to better accomplish its goals.

Subd. 3. [REPORT.] The commission shall report to the legislature on its findings and recommendations not later than January 10, 1995, and shall cease to function after that date.

Subd. 4. [COMPENSATION; STAFF] Members of the commission must be compensated in the same manner as for attending other legislative meetings. Legislative staff will provide support services to the commission.

Sec. 16. [APPLICABILITY.]

Sections 1 to 10 and 15 apply in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington."

Page 8, line 23, before "Minnesota" insert "(a)"

Page 8, after line 24, insert:

"(b) Minnesota Statutes 1986, sections 473F02, subdivisions 9, 11, 16, 18, 19, and 20; 473F12; and 473F13, subdivisions 2 and 3; and Minnesota Statutes 1987 Supplement, section 473F02, subdivision 17, are repealed.

Sec. 18. [EFFECTIVE DATE.]

Sections 1 to 10, 15, and 17, paragraph (b), are effective for property taxes payable in 1989 and subsequent years."

Renumber the sections in sequence

Delete the title and insert:

"A bill for an act relating to taxation; property; modifying the metropolitan revenue distribution system; phasing out certain exemptions; decreasing the contribution percentage; changing certain definitions; prohibiting use of proceeds for special purposes; establishing a legislative commission to study the fiscal disparities system; providing conditions of local and state government debt financing; allocating bonding authority subject to a volume cap under federal tax law; amending Minnesota Statutes 1986, sections 473F01; 473F07, subdivision 3, and by adding a subdivision; 473F13, subdivision 1; Minnesota Statutes 1987 Supplement, sections 473F02, subdivisions 3 and 12; 473F06; 473F07, subdivision 1; 473F08, subdivisions 2 and 6; 474A.04, subdivision 1a; 474A.061, subdivisions 2 and 4; and 474A.091; repealing Minnesota Statutes 1986, sections 473F02, subdivisions 9, 11, 16, 18, 19, and 20; 473F12; 473F13, subdivisions 2 and 3; and Minnesota

Statutes 1987 Supplement, sections 473E02, subdivision 17; and 474A.061, subdivision 5.”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was re-referred

S.F. No. 2182: A bill for an act relating to taxation; providing for payment of tax increments attributable to referendum levy increases to school districts; amending Minnesota Statutes 1987 Supplement, section 469.177, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 13, delete “before or”

Page 2, line 14, delete “the date on enactment of this act” and insert “December 31, 1986”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was re-referred

S.F. No. 1382: A bill for an act relating to elections; limiting campaign expenditures by congressional candidates who choose to receive a public subsidy for their campaigns; making related changes in the ethics in government act; imposing penalties; amending Minnesota Statutes 1986, sections 10A.01, subdivisions 7, 10, 10b, 15, and by adding subdivisions; 10A.25, subdivision 10, and by adding subdivisions; 10A.255; 10A.27, by adding a subdivision; 10A.275; 10A.28; 10A.30, subdivision 2; 10A.31, subdivisions 1, 2, 3, 5, 6, 7, 8, 9, 10, 11, and by adding subdivisions; 10A.33; 10A.335; and 290.06, subdivision 11; proposing coding for new law in Minnesota Statutes, chapter 10A; repealing Minnesota Statutes 1986, sections 10A.02, subdivision 11a; 10A.25, subdivision 7; 10A.27, subdivision 5; and 10A.32.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1986, section 10A.01, is amended by adding a subdivision to read:

Subd. 5a. [CONGRESSIONAL CANDIDATE.] “Congressional candidate” means an individual who seeks nomination or election to the United States senate or house of representatives and who is a “candidate” as that term is defined under United States Code, title 2, section 431, paragraph (2), as amended through December 31, 1986.

Sec. 2. Minnesota Statutes 1986, section 10A.01, subdivision 7, is amended to read:

Subd. 7. [CONTRIBUTION.] “Contribution” means:

(1) with respect to a candidate, a transfer of funds or a donation in kind-

~~Contribution~~ and includes any loan or advance of credit to a political committee, political fund, or principal campaign committee, which loan or advance of credit is ~~(a)~~ (1) forgiven, or ~~(b)~~ (2) paid by ~~an entity~~ an individual or any association other than the political committee, political fund, or principal campaign committee to which the loan or advance of credit is made. If an advance of credit or a loan is forgiven or paid as provided in this ~~subdivision~~ paragraph, it is a contribution in the year in which the loan or advance of credit is made. A contribution made for the purpose of defeating a candidate is considered made for the purpose of influencing the nomination or election of that candidate or any opponent of that candidate. A contribution does not include services provided without compensation by an individual volunteering personal time on behalf of a candidate, ballot question, political committee or political fund, or the publishing or broadcasting of news items or editorial comments by the news media; and

(2) with respect to a congressional candidate, a "contribution" as that term is defined under United States Code, title 2, section 431, paragraph (8), as amended through December 31, 1986.

Sec. 3. Minnesota Statutes 1986, section 10A.01, subdivision 10, is amended to read:

Subd. 10. [CAMPAIGN EXPENDITURE; EXPENDITURE.] "Campaign expenditure" or "expenditure" means:

(1) with respect to a candidate, a purchase or payment of money or anything of value, or an advance of credit, made or incurred for the purpose of influencing the nomination or election of a candidate or for the purpose of promoting or defeating a ballot question. An expenditure is considered to be made in the year in which the goods or services for which it was made are used or consumed. An expenditure made for the purpose of defeating a candidate is considered made for the purpose of influencing the nomination or election of that candidate or any opponent of that candidate. Except as provided in ~~clause (a)~~, item (i) of this clause, an expenditure includes the dollar value of a donation in kind. An expenditure does not include:

~~(a)~~ (i) noncampaign disbursements as defined in subdivision 10c;

~~(b)~~ (ii) transfers as defined in subdivision 7a;

~~(c)~~ (iii) services provided without compensation by an individual volunteering personal time on behalf of a candidate, ballot question, political committee, or political fund; or

~~(d)~~ (iv) the publishing or broadcasting of news items or editorial comments by the news media; and

(2) with respect to a congressional candidate, an "expenditure" as that term is defined under United States Code, title 2, section 431, paragraph (9), as amended through December 31, 1986.

Sec. 4. Minnesota Statutes 1986, section 10A.01, subdivision 10b, is amended to read:

Subd. 10b. [INDEPENDENT EXPENDITURE.] "Independent expenditure" means:

(1) with respect to a candidate, an expenditure expressly advocating the election or defeat of a clearly identified candidate, which expenditure is

made without the express or implied consent, authorization, or cooperation of, and not in concert with or at the request or suggestion of, any candidate or any candidate's principal campaign committee or agent. An independent expenditure is not a contribution to that candidate; and

(2) with respect to a congressional candidate, an "independent expenditure" as that term is defined under United State Code, title 2, section 431, paragraph (17), as amended through December 31, 1986.

Sec. 5. Minnesota Statutes 1986, section 10A.01, subdivision 15, is amended to read:

Subd. 15. [POLITICAL COMMITTEE.] "Political committee" means:

(1) with respect to a candidate, any association as defined in subdivision 3 whose major purpose is to influence the nomination or election of a candidate or to promote or defeat a ballot question; and

(2) with respect to a congressional candidate, a "political committee" as that term is defined under United State Code, title 2, section 431, paragraph (4), as amended through December 31, 1986.

"Political committee" includes a major political party as defined in subdivision 12, a minor political party as defined in subdivision 13, and any a principal campaign committee formed pursuant to section 10A.19 of a candidate or congressional candidate, and an authorized committee of a congressional candidate.

Sec. 6. Minnesota Statutes 1986, section 10A.01, is amended by adding a subdivision to read:

Subd. 15a. [PRINCIPAL CAMPAIGN COMMITTEE.] "Principal campaign committee" means:

(1) with respect to a candidate, a political committee designated and caused to be formed by that candidate under section 10A.19; and

(2) with respect to a congressional candidate, a political committee designated and authorized by that congressional candidate under United States Code, title 2, section 432, subsection (e)(1), as amended through December 31, 1986.

Sec. 7. Minnesota Statutes 1986, section 10A.01, is amended by adding a subdivision to read:

Subd. 15b. [AUTHORIZED COMMITTEE.] "Authorized committee" means the principal campaign committee or any other political committee designated and authorized by a congressional candidate under United States Code, title 2, section 432, subsection (e)(1), as amended through December 31, 1986, to receive contributions or make expenditures on behalf of that congressional candidate.

Sec. 8. [10A.105] [LIMITATION ON APPLICABILITY.]

The provisions of sections 10A.11 to 10A.24 relating to the organization, registration, and administration of and reporting and disclosure by political committees, including principal campaign committees, and political funds are not applicable to congressional candidates and authorized committees of congressional candidates. The organization, registration, and administration of and reporting and disclosure by authorized committees of congressional candidates is governed by the relevant provisions of United States Code, title 2, chapter 14, as amended through December 31, 1986.

Sec. 9. Minnesota Statutes 1986, section 10A.15, is amended by adding a subdivision to read:

Subd. 5. [LIMITS ON ACCEPTANCE OF CONTRIBUTIONS FROM POLITICAL ACTION COMMITTEES.] A congressional candidate who accepts a public subsidy under section 10A.31 may accept contributions during any year from political action committees only to the extent that those contributions do not exceed 25 percent of the total amount of contributions received by the candidate during that year. If by January 31 of the year following a calendar year in which contributions were received, it is determined that a congressional candidate received contributions in the preceding year from a political action committee that exceed the limit imposed in this subdivision, the amount of the excess received from political action committees must be returned to the donors beginning with the most recently received contributions, until all contributions from political action committees that exceed the limit have been returned.

Sec. 10. [10A.245] [CAMPAIGN REPORTS; CONGRESSIONAL CANDIDATES.]

A congressional candidate who agrees to be bound by the expenditure limits set forth under section 10A.25, as adjusted by section 10A.255, as a condition of receiving a public subsidy for the candidate's campaign shall file with the board copies of all reports that the candidate or the candidate's principal campaign committee treasurer acting for the candidate is required to file under United States Code, title 2, chapter 14, as amended through December 31, 1986. The reports must be filed with the board at the times required under United States Code, title 2, section 434, as amended through December 31, 1986.

Sec. 11. Minnesota Statutes 1986, section 10A.25, is amended by adding a subdivision to read:

Subd. 2a. [CONGRESSIONAL CANDIDATES.] In a year in which an election is held for an office sought by a congressional candidate, no expenditures may be made by the authorized committees of that congressional candidate that result in an aggregate amount in excess of the following:

- (1) for United States senator, \$4,000,000; and*
- (2) for representative in Congress, \$400,000.*

Sec. 12. Minnesota Statutes 1986, section 10A.25, is amended by adding a subdivision to read:

Subd. 5a. [CONGRESSIONAL CANDIDATES IN CONTESTED PRIMARY RACES.] Notwithstanding the limits imposed by section 11, the winning congressional candidate in a contested race in a primary who receives less than twice as many votes as any one of the candidate's opponents in that primary may make aggregate expenditures equal to 120 percent of the applicable amount in section 11, as adjusted by section 10A.255.

Sec. 13. Minnesota Statutes 1986, section 10A.25, is amended by adding a subdivision to read:

Subd. 5b. [CONGRESSIONAL CANDIDATES ACCEPTING PUBLIC SUBSIDY FACING OPPONENT NOT ACCEPTING PUBLIC SUBSIDY.] (a) Notwithstanding the limits imposed by section 11, if a congressional candidate who has signed an agreement under section 35 to be bound by

the expenditure limits imposed under that subdivision is running in a general election against an opponent who has chosen not to accept a public subsidy and whose party's congressional candidate for the same office in the last general election received more than ten percent of the vote, the congressional candidate who has signed an agreement may make aggregate expenditures equal to 125 percent of the applicable amount set forth in section 11, as adjusted by section 10A.255; except that, if this subdivision applies and the congressional candidate who has signed an agreement was a winning congressional candidate in a contested primary as provided under section 12, the congressional candidate may make aggregate expenditures equal to 125 percent of the applicable amount as determined under section 12.

(b) With respect to congressional candidates for representative in Congress, and for the purposes of determining the ten percent requirement under paragraph (a), if the "last general election" was the first election after a congressional reapportionment, the congressional candidate voting data for these offices shall be applied to the areas encompassing the newly drawn congressional districts.

Sec. 14. Minnesota Statutes 1986, section 10A.25, is amended by adding a subdivision to read:

Subd. 6a. [POST-ELECTION YEAR EXPENDITURES BY CONGRESSIONAL CANDIDATES.] In any year following an election year for the office held or sought, the aggregate amount of expenditures on behalf of a congressional candidate for or holder of that office must not exceed 20 percent of the expenditure limit set forth in section 11, as adjusted by section 10A.255.

Sec. 15. Minnesota Statutes 1986, section 10A.25, subdivision 10, is amended to read:

Subd. 10. [APPLICABILITY OF EXPENDITURE LIMITS.] The expenditure limits imposed by this section apply only to candidates and congressional candidates who agree to be bound by the limits as a condition of receiving a public subsidy for their campaigns in the form of:

- (a) an allocation of money from the state elections campaign fund; or*
- (b) Credits against the tax due of individuals who contribute to that candidate.*

Sec. 16. Minnesota Statutes 1987 Supplement, section 10A.255, is amended to read:

10A.255 [ADJUSTMENT BY CONSUMER PRICE INDEX.]

Subdivision 1. [METHOD OF CALCULATION.] The dollar amounts provided in section 10A.25, subdivision 2 and section 11, must be adjusted for general election years as provided in this section. By June 1 of the general election year, the executive director of the board shall determine the percentage increase in the consumer price index from December of the year preceding the last general election year to December of the year preceding the year in which the determination is made. The dollar amounts used for the preceding last general election year must be multiplied by that percentage. The product of the calculation must be added to each dollar amount to produce the dollar limitations to be in effect for the next general election. The product must be rounded up to the next highest whole dollar. The index used must be the revised consumer price index for all urban

consumers for the St. Paul-Minneapolis metropolitan area prepared by the United States Department of Labor with ~~1967~~ 1982 as a base year.

Subd. 2. [TRANSITIONAL PERIOD.] (a) The dollar amounts provided in section 10A.25, subdivision 2, must be adjusted for 1988 in the manner provided in subdivision 1, except that the percentage increase in the consumer price index must be determined from April of 1986 to December of 1987 and the adjustment must be calculated by the executive director by June 1, 1988.

(b) Except for the office of state representative in the legislature, the dollar amounts provided in section 10A.25, subdivision 2, must be adjusted for 1990 in the manner provided in subdivision 1, except that the percentage increase in the consumer price index must be determined from April of 1986 to December of 1989 and the adjustment must be calculated by the executive director by June 1, 1990.

(c) *The dollar amounts provided in section 11 must be adjusted for the 1990 races for representative in Congress and the 1990 race for United States senate, and subsequent general elections for those offices in the manner provided in subdivision 1, except that the last general election year shall be considered to be 1986 and the dollar amounts used for the last general election year for the offices of United States senator and representative in Congress shall be \$4,000,000 and \$400,000 respectively.*

Subd. 3. [PUBLICATION OF EXPENDITURE LIMIT.] *On or before June 15 of each year, the board shall publish in the state register the expenditure for each office for that calendar year, as provided in section 10A.25, as adjusted by this section.*

Sec. 17. Minnesota Statutes 1986, section 10A.27, is amended by adding a subdivision to read:

Subd. 9. [CONTRIBUTION AND LOAN LIMITATIONS APPLICABLE TO A CONGRESSIONAL CANDIDATE.] *Contributions by and to a congressional candidate and loans to a congressional candidate are governed by the relevant provisions of United States Code, title 2, chapter 14, as amended through December 31, 1986.*

Sec. 18. Minnesota Statutes 1986, section 10A.275, is amended to read:

10A.275 [MULTICANDIDATE POLITICAL PARTY EXPENDITURES.]

Subdivision 1. [APPLICABILITY TO CANDIDATES.] Notwithstanding any other provisions of this chapter, the following expenditures by a state political party or a substate unit of a state political party as described in section 10A.27, subdivision 4, shall not be considered contributions to or expenditures on behalf of any candidate for the purposes of section 10A.25 or 10A.27, and shall not be allocated to any candidates pursuant to section 10A.22, subdivision 5:

(a) expenditures on behalf of candidates of that party generally without referring to any of them specifically in any advertisement published, posted or broadcast;

(b) expenditures for the preparation, display, mailing or other distribution of an official party sample ballot listing the names of three or more individuals whose names are to appear on the ballot;

(c) expenditures for any telephone conversation including the names of three or more individuals whose names are to appear on the ballot; or

(d) expenditures for any political party fundraising effort on behalf of three or more candidates.

Subd. 2. [APPLICABILITY TO CONGRESSIONAL CANDIDATES.] Expenditures of the type listed in subdivision 1, clauses (a) to (d), are governed by the relevant provisions of United States Code, title 2, section 431, paragraph (9), as amended through December 31, 1986.

Sec. 19. Minnesota Statutes 1986, section 10A.28, is amended to read:

10A.28 [PENALTY FOR EXCEEDING EXPENDITURE AND CONTRIBUTION LIMITS.]

Subdivision 1. [CANDIDATE EXCEEDING EXPENDITURE LIMITS.] A candidate subject to the expenditure limits of in section 10A.25 who permits the candidate's principal campaign committee to make expenditures or permits approved expenditures to be made on the candidate's behalf in excess of the limits imposed by section 10A.25 ~~shall be~~, as adjusted by section 10A.255, is subject to a civil fine up to four times the amount which the expenditures exceeded the limit.

Subd. 1a. [CONGRESSIONAL CANDIDATES EXCEEDING EXPENDITURE LIMITS.] A congressional candidate subject to the expenditure limits in section 10A.25 who permits the candidate's authorized committees to make aggregate expenditures to be made on the candidate's behalf in excess of the limits imposed by section 10A.25, as adjusted by section 10A.255, is subject to a civil fine up to four times the amount the expenditures exceed the limit.

Subd. 2. [CONTRIBUTION LIMITS EXCEEDED WITH RESPECT TO CANDIDATES.] A candidate who permits the candidate's principal campaign committee to accept contributions in excess of the limits imposed by section 10A.27 ~~shall be~~ is subject to a civil fine of up to four times the amount by which the contribution exceeded the limits.

Subd. 2a. [CONTRIBUTION LIMITS EXCEEDED WITH RESPECT TO CONGRESSIONAL CANDIDATES.] A congressional candidate who permits the candidate's authorized committees to accept contributions in excess of the limits imposed under United States Code, title 2, chapter 14, as amended through December 31, 1986, is subject to the penalties imposed by United States Code, title 2, section 437g, as amended through December 31, 1986.

Subd. 3. [CONCILIATION AGREEMENTS.] If the board finds that there is reason to believe that excess expenditures have been made or excess contributions accepted contrary to the provisions of subdivision 1, 1a, or 2, the board shall make every effort for a period of not less than 14 days after its finding to correct the matter by informal methods of conference and conciliation and to enter a conciliation agreement with the person involved. A conciliation agreement made pursuant to this subdivision shall be a matter of public record. Unless violated, a conciliation agreement shall be a bar to any civil proceeding under subdivision 4.

Subd. 4. [CIVIL ACTION.] If the board is unable after a reasonable time to correct by informal methods any matter which constitutes probable cause to believe that excess expenditures have been made or excess contributions accepted contrary to subdivision 1, 1a, or 2, the board shall make a public finding of probable cause in the matter. After making a public finding, the board shall bring an action, or transmit the finding to a county attorney

who shall bring an action, in the district court of Ramsey county or, in the case of a legislative candidate, the district court of a county within the legislative district, to impose a civil fine as prescribed by the board pursuant to subdivision 1, 1a, or 2. An action filed against a congressional candidate for United States senator or against a candidate for state constitutional office must be brought in the district court of Ramsey county. An action filed against a candidate for state legislative office must be brought in the district court of a county within the candidate's legislative district. An action filed against a congressional candidate for representative in Congress must be brought in the district court of a county within the congressional candidate's congressional district. All money recovered pursuant to this section shall be deposited in the general fund of the state.

Sec. 20. Minnesota Statutes 1986, section 10A.30, subdivision 2, is amended to read:

Subd. 2. [SEPARATE ACCOUNTS.] Within the state elections campaign fund account there shall be maintained: (1) a separate political party account for the candidates of each political party and, (2) a state general account, (3) a separate political party account for the congressional candidates of each political party, and (4) a congressional general account.

Sec. 21. Minnesota Statutes 1987 Supplement, section 10A.31, subdivision 1, is amended to read:

Subdivision 1. Every individual resident of Minnesota who files an income tax return or a renter and homeowner property tax refund return with the commissioner of revenue may designate on their original return that \$5 or \$10 shall be paid from the general fund of the state into the state elections campaign fund. If a husband and wife file a joint return, each spouse may designate that \$5 or \$10 shall be paid. No individual shall be allowed to designate that the \$5 or \$10 be paid more than once in any year.

Sec. 22. Minnesota Statutes 1987 Supplement, section 10A.31, subdivision 2, is amended to read:

Subd. 2. The taxpayer may designate that the amount designated \$5 be paid into the party account of a political party for candidates or \$5 be paid into the state general account. The taxpayer may also designate that \$5 be paid into the party account of a political party for congressional candidates or into the congressional general account.

Sec. 23. Minnesota Statutes 1987 Supplement, section 10A.31, subdivision 3, is amended to read:

Subd. 3. The commissioner of the department of revenue shall provide on the first page of the income tax form and the renter and homeowner property tax refund return a space for the individual to indicate a wish to: (1) allocate \$5 (\$10 if filing a joint return) from the general fund of the state to finance the election campaigns of state candidates and (2) allocate \$5 (\$10 if filing a joint return) from the general fund of the state to finance the election campaigns of congressional candidates. The form shall also contain language prepared by the commissioner which permits the individual to direct the state to allocate the \$5 total amount of \$10 (or \$10 \$20 if filing a joint return) to: (i) one of the major political parties; (ii) any minor political party as defined in section 10A.01, subdivision 13, which qualifies under the provisions of subdivision 3a; or (iii) all qualifying candidates as provided by subdivision 7. The renter and homeowner property tax refund return shall include instructions that the individual filing

the return may designate \$5 \$10 on the return only if the individual has not designated \$5 \$10 on the income tax return.

Sec. 24. Minnesota Statutes 1986, section 10A.31, subdivision 5, is amended to read:

Subd. 5. [ALLOCATION OF ACCOUNTS.] (a) *Candidates.* In each calendar year the moneys money in each party account for candidates and the state general account shall must be allocated to eandidates as follows:

- (1) 21 percent for the offices of governor and lieutenant governor together;
- (2) 3.6 percent for the office of attorney general;
- (3) 1.8 percent each for the offices of secretary of state, state auditor and state treasurer;
- (4) In each calendar year during the period in which state senators serve a four-year term, 23-1/3 percent for the office of state senator and 46-2/3 percent for the office of state representative;
- (5) In each calendar year during the period in which state senators serve a two-year term, 35 percent each for the offices of state senator and state representative;

(6) To assure that moneys will be returned to the counties from which they were collected, and to assure that the distribution of those moneys rationally relates to the support for particular parties or for particular candidates within legislative districts, moneys from the party accounts for legislative candidates shall be distributed as follows:

Each candidate for the state senate and state house of representatives whose name is to appear on the ballot in the general election shall receive money from the candidate's party account set aside for candidates of the state senate or state house of representatives, whichever applies, according to the following formula:

For each county within the candidate's district the candidate's share of the dollars allocated in that county to the candidate's party account and set aside for that office shall be:

- (a) The sum of the votes cast in the last general election in that part of the county in the candidate's district for all candidates of that candidate's party (i) whose names appeared on the ballot in each voting precinct of the state and (ii) for the state senate and state house of representatives, divided by
- (b) The sum of the votes cast in that county in the last general election for all candidates of that candidate's party (i) whose names appeared on the ballot in each voting precinct in the state and (ii) for the state senate and state house of representatives, multiplied by
- (c) The amount in the candidate's party account allocated in that county and set aside for the candidates for the office for which the candidate is running.

The sum of all the county shares calculated in the formula above is the candidate's share of the candidate's party account.

In a year in which an election for the state senate occurs, with respect to votes for candidates for the state senate only, "last general election" means the last general election in which an election for the state senate

occurred.

For any party under whose name no candidate's name appeared on the ballot in each voting precinct in the state in the last general election, amounts in the party's account shall be allocated based on (a) the number of people voting in the last general election in that part of the county in the candidate's district, divided by (b) the number of the people voting in that county in the last general election, multiplied by (c) the amount in the candidate's party account allocated in that county and set aside for the candidates for the office for which the candidate is running.

In a year in which the first election after a legislative reapportionment is held, "the candidate's district" means the newly drawn district, and voting data from the last general election will be applied to the area encompassing the newly drawn district notwithstanding that the area was in a different district in the last general election.

If in a district there was no candidate of a party for the state senate or state house of representatives in the last general election, or if a candidate for the state senate or state house of representatives was unopposed, the vote for that office for that party shall be the average vote of all the remaining candidates of that party in each county of that district whose votes are included in the sums in clauses (a) and (b). The average vote shall be added to the sums in clauses (a) and (b) before the calculation is made for all districts in the county.

Money from a party account not distributed to candidates for state senator and representative in any election year shall be returned to the general fund of the state. Money from a party account not distributed to candidates for other offices in an election year shall be returned to the party account for reallocation to candidates as provided in clauses (1) to (6) of this subdivision in the following year. Moneys from the general account refused by any candidate shall be distributed to all other qualifying candidates in proportion to their shares as provided in this subdivision.

(b) Congressional candidates. In each calendar year the money in each party account for congressional candidates and the congressional general account must be allocated as follows:

(1) 16-2/3 percent for the office of United States senator for which an election will be held in 1990 and every six years afterward;

(2) 16-2/3 percent for the office of United States senator for which an election will be held in 1994 and every six years afterward;

(3) 67-2/3 percent for the offices of representative in Congress.

Sec. 25. Minnesota Statutes 1986, section 10A.31, is amended by adding a subdivision to read:

Subd. 5a. [FORMULA FOR DISTRIBUTION TO LEGISLATIVE CANDIDATES.] (a) To assure that money will be returned to the counties from which it was collected, and to assure that the distribution of money rationally relates to the support for particular parties or for particular candidates within legislative districts, money from the party accounts for legislative candidates must be distributed under this subdivision.

A candidate for the state senate and state house of representatives whose name is to appear on the ballot in the general election must receive money from the candidate's party account set aside for candidates of the state

senate or state house of representatives, whichever applies, according to the following formula.

For each county within the candidate's district the candidate's share of the dollars allocated in that county to the candidate's party account and set aside for that office must be:

(1) the sum of the votes cast in the last general election in that part of the county in the candidate's district for all candidates of the candidate's party (i) whose names appeared on the ballot in each voting precinct of the state and (ii) for the state senate and state house of representatives, divided by

(2) the sum of the votes cast in that county in the last general election for all candidates of the candidate's party (i) whose names appeared on the ballot in each voting precinct in the state and (ii) for the state senate and state house of representatives, multiplied by

(3) the amount in the candidate's party account allocated in that county and set aside for the candidates for the office the candidate is seeking.

The sum of all the county shares calculated in the formula in this paragraph is the candidate's share of the candidate's party account.

(b) With respect to the formula in paragraph (a), the terms "last general election" and the "candidate's district" have the following meanings:

(1) In a year in which an election for the state senate occurs, with respect to votes for candidates for the state senate only, "last general election" means the last general election in which an election for the state senate occurred.

(2) For any party under whose name no candidate's name appeared on the ballot in each voting precinct in the state in the last general election, "last general election" means the last general election in which the name of a candidate of that party appeared on the ballot in each voting precinct in the state.

(3) In a year in which the first election after a legislative reapportionment is held, "the candidate's district" means the newly drawn district, and voting data from the last general election will be applied to the area encompassing the newly drawn district even though the area was in a different district in the last general election.

(c) If in a district there was no candidate of a party for the state senate or state house of representatives in the last general election, or if a candidate for the state senate or state house of representatives was unopposed, the vote for that office for that party must be the average vote of all the remaining candidates of that party in each county of that district whose votes are included in the sums in paragraph (a), clauses (1) and (2). The average vote must be added to the sums in paragraph (a), clauses (1) and (2), before the calculation is made for all districts in the county.

Sec. 26. Minnesota Statutes, section 10A.31, is amended by adding a subdivision to read:

Subd. 5b. [FORMULA FOR DISTRIBUTION TO CONGRESSIONAL CANDIDATES FOR REPRESENTATIVE IN CONGRESS.] *The commissioner of revenue shall develop a formula for distribution of money from the state elections campaign fund to congressional candidates for the office of representative in Congress to assure that money will be returned to the*

counties from which it was collected, and to assure that the distribution of the money rationally relates to the support for particular parties or for particular congressional candidates within congressional districts. Money from the party accounts distributed to congressional candidates from the state elections campaign fund must be distributed according to the formula developed.

Sec. 27. Minnesota Statutes 1986, section 10A.31, is amended by adding a subdivision to read:

Subd. 5c. [UNDISTRIBUTED MONEY.] Money in a party account not distributed in any election year to candidates for state senator and representative and congressional candidates for the office of representative in Congress must be returned to the general fund of the state. Money in a party account not distributed in any election year to candidates for other office or congressional candidates for the office of United States senator must be kept in the party account but must be reallocated in the following year to all of the candidate offices and congressional candidate offices as provided under subdivision 5. Money in the general account refused in any election year by a candidate or congressional candidate must be distributed in that year to all other qualifying candidates and congressional candidates as provided under subdivision 7.

Sec. 28. Minnesota Statutes 1986, section 10A.31, subdivision 6, is amended to read:

Subd. 6. [DISTRIBUTION OF FUNDS AFTER PRIMARY ELECTION.] Within two weeks after certification by the state canvassing board of the results of the primary, the state treasurer shall distribute the available funds in each party account, as certified by the commissioner of revenue on September 15, to the candidates and congressional candidates of that party who have signed the an agreement, as provided in section 10A.32, subdivision 3 35, and whose names are to appear on the ballot in the general election, according to the allocations and formulas set forth in subdivision 5 and sections 25 and 26.

Sec. 29. Minnesota Statutes 1986, section 10A.31, subdivision 7, is amended to read:

Subd. 7. [DISTRIBUTION OF FUNDS AFTER GENERAL ELECTION.] Within two weeks after certification by the state canvassing board of the results of the general election, the state treasurer shall distribute the available funds in the state general account and the congressional general account, as certified by the commissioner of revenue on November 15 and according to allocations set forth in subdivision 5, in equal amounts to all candidates for each statewide state constitutional office and to all congressional candidates for the office of United States senator who have signed agreements under section 35 and received at least five percent of the votes cast in the general election for that office, and to all candidates for state legislative office and for the office of representative in Congress who have signed agreements under section 35 and received at least ten percent of the votes cast in the general election for the specific office for which they were candidates or congressional candidates. The board shall not use the information contained in the report of the principal campaign committee of any candidate due ten days before the general election for the purpose of reducing the amount due that candidate from the general account.

Sec. 30. Minnesota Statutes 1986, section 10A.31, subdivision 8, is

amended to read:

Subd. 8. [CERTIFICATION OF AMOUNTS AFTER PRIMARY.] Within one week after certification by the state canvassing board of the results of the primary, the board shall certify to the state treasurer the name of each candidate *and congressional candidate* who has signed ~~the~~ *an* agreement, as provided in section ~~10A.32, subdivision 3~~ 35, and the amount the candidate is to receive from the available funds in the candidate's party account.

Sec. 31. Minnesota Statutes 1986, section 10A.31, subdivision 9, is amended to read:

Subd. 9. [CERTIFICATION OF AMOUNTS AFTER GENERAL ELECTION.] Within one week after certification by the state canvassing board of the results of the general election, the board shall certify to the state treasurer the name of each candidate *and congressional candidate* who is qualified to receive funds from the *state general account and the congressional general account*, together with the amount the candidate is to receive from the available funds in the ~~general account accounts~~.

Sec. 32. Minnesota Statutes 1986, section 10A.31, subdivision 10, is amended to read:

Subd. 10. [CERTIFICATION OF AMOUNTS ACCUMULATED SINCE PREVIOUS CERTIFICATION.] In the event that on the date of either certification by the commissioner of revenue as provided in subdivisions 6 and 7, less than 98 percent of the tax returns have been processed, the commissioner of revenue shall certify to the board on December 7 the amount accumulated in each account since the previous certification. Within one week thereafter, the board shall certify to the state treasurer the amount to be distributed to each candidate *and congressional candidate* according to the allocations ~~as provided and formulas set forth~~ in subdivision 5 and sections 25 and 26. As soon as practicable thereafter, the state treasurer shall distribute the amounts to the candidates *and congressional candidates*. Any money accumulated after the final certification shall be maintained in the respective accounts for distribution in the next general election year.

Sec. 33. Minnesota Statutes 1986, section 10A.31, subdivision 11, is amended to read:

Subd. 11. [WRITE-IN CANDIDATES.] For the purposes of this section, a write-in candidate *or congressional candidate* is a candidate *or congressional candidate* only upon complying with the provisions of section ~~10A.32, subdivision 3~~ 35.

Sec. 34. [10A.32] [ESTIMATES OF MINIMUM AMOUNTS TO BE RECEIVED.]

Subdivision 1. [CALCULATION AND CERTIFICATION OF ESTIMATES.] The commissioner of revenue shall calculate and certify to the board before the first day of July in an election year an estimate of (1) the total amount in the state general account of the state elections campaign fund, (2) the total amount in the congressional general account of the state elections campaign fund, and (3) the amount of money each candidate and congressional candidate who qualifies, as provided in section 10A.31, subdivisions 6 and 7, may receive from the candidate's party account in the state elections campaign fund. This estimate must be based upon the allocations and formulas in section 10A.31, subdivision 5, and sections 25 and 26, any necessary vote totals provided by the secretary of state to

apply the formulas in section 10A.31, subdivision 5, and section 26, and the amount of money expected to be available after 100 percent of the tax returns have been processed.

Subd. 2. [PUBLICATION, CERTIFICATION, AND NOTIFICATION PROCEDURES.] Before the first day of filing for office, the board shall publish and forward to all filing officers the estimates calculated and certified under subdivision 1. Within seven days after the last day for filing for office, the secretary of state shall certify to the board the name, address, office sought, and party affiliation of each candidate and congressional candidate who has filed with that office an affidavit of candidacy or petition to appear on the ballot. The auditor of each county shall certify to the board the same information for each candidate and congressional candidate who has filed with that county an affidavit of candidacy or petition to appear on the ballot. Within seven days afterward, the board shall estimate the minimum amount to be received by each candidate and congressional candidate who qualifies, as provided in section 10A.31, subdivisions 6 and 7, and notify on or before August 15 all candidates and congressional candidates of the applicable amount. The board shall include with the notice a form for the agreement provided in section 35.

Sec. 35. [10A.322] [SIGNED AGREEMENT AS CONDITION OF RECEIVING PUBLIC SUBSIDY IN FORM OF ALLOCATION FROM CAMPAIGN FUND.]

Subdivision 1. [SIGNED AGREEMENT BY CANDIDATE.] As a condition of receiving money from the state elections campaign fund, a candidate shall sign a written agreement with the board in which the candidate agrees that the aggregate of (i) expenditures made by the principal campaign committee of the candidate and (ii) approved expenditures made on behalf of the candidate will not exceed the expenditure limits in section 10A.25, as adjusted by section 10A.255.

Subd. 2. [SIGNED AGREEMENT BY CONGRESSIONAL CANDIDATES.] As a condition of receiving money from the state elections campaign fund, a congressional candidate shall sign a written agreement with the board in which the candidate agrees that the aggregate of expenditures made by the authorized committees of the congressional candidate may not exceed the expenditure limits in section 10A.25, as adjusted by section 10A.255.

Subd. 3. [SUBMISSION OF AGREEMENT.] Before the first day of filing for office, the board shall forward agreement forms to all filing officers. The candidate or congressional candidate may sign an agreement and submit it to the filing officer on the day of filing an affidavit of candidacy or petition to appear on the ballot, in which case the filing officer shall without delay forward signed agreements to the board. Alternatively, the candidate or congressional candidate may submit the agreement directly to the board no later than September 1. An agreement may not be rescinded after September 1.

Subd. 4. [HOW LONG AGREEMENT IS EFFECTIVE.] (a) Candidates. The agreement, insofar as it relates to the expenditure limits in section 10A.25, as adjusted by section 10A.255, remains effective until the dissolution of the principal campaign committee of the candidate or the opening of filing for the next succeeding election to the office held or sought at the time of agreement, whichever occurs first.

(b) *Congressional candidates.* The agreement, insofar as it relates to the expenditure limits in section 10A.25, as adjusted by section 10A.255, remains effective until the termination of the authorized committees of the congressional candidate, as provided under United States Code, title 2, section 433(d), as amended through December 31, 1986, or the opening of filing for the next succeeding election to the office held or sought at the time of agreement, whichever occurs first.

Sec. 36. [10A.323] [RETURN OF PUBLIC SUBSIDY.]

Subdivision 1. [WHEN RETURN REQUIRED; CANDIDATES.] (a) A candidate shall return all or a portion of the public subsidy received from the state elections campaign fund under the following circumstances:

(1) To the extent that the amount of public subsidy received by the candidate exceeds the expenditure limits for the office held or sought, as provided in section 10A.25 and as adjusted by section 10A.255, the treasurer of the candidate's principal campaign committee shall return the excess to the board; and

(2) To the extent that the amount of public subsidy received exceeds the aggregate of (i) actual expenditures made by the principal campaign committee of the candidate and (ii) approved expenditures made on behalf of the candidate, the treasurer of the candidate's principal campaign committee shall return an amount equal to the difference to the board.

Subd. 2. [WHEN RETURN REQUIRED; CONGRESSIONAL CANDIDATES.] (a) A congressional candidate shall return all or a portion of the public subsidy received from the state elections campaign fund under the following circumstances:

(1) to the extent that the amount of public subsidy received by the congressional candidate exceeds the expenditure limits for the office held or sought, as provided in section 10A.25 and as adjusted by section 10A.255, the treasurer of the congressional candidate's principal campaign committee shall return the excess to the board; and

(2) to the extent that the amount of public subsidy received exceeds the aggregate of actual expenditures made by the authorized committees of the congressional candidate, the treasurer of the congressional candidate's principal campaign committee shall return an amount equal to the difference to the board.

Subd. 3. [HOW RETURN DETERMINED.] Whether or not a candidate or congressional candidate is required to return all or a portion of the public subsidy received from the state elections campaign fund, as provided under subdivisions 1 and 2, must be determined from the report required to be filed with the board by that candidate or congressional candidate on or before January 31 of the year following an election. Any amount required to be returned must be submitted in the form of a check or money order and must accompany the report filed with the board. The board shall forward the check or money order to the state treasurer for deposit into the general fund. In no case may the amount returned exceed the amount of public subsidy received by the candidate or congressional candidate from the state elections campaign fund.

Sec. 37. [10A.324] [POLITICAL PARTY NOT HAVING CERTAIN CANDIDATES OR CONGRESSIONAL CANDIDATES.]

If a political party for whose candidates or congressional candidates

funds have been accumulated in the state elections campaign fund does not have a candidate at a general election for the office of state senator or state representative or a congressional candidate for the office of representative in Congress, the party account money allocated for that office must be returned to the general fund of the state. If that party does not have a candidate at a general election for any state constitutional office or a congressional candidate for the office of United States senator, the party account money allocated for that office must be transferred to either the state general account in the case of a state constitutional office, or the congressional general account in the case of a congressional office, of the state elections campaign fund for reallocation to all of the candidate offices and congressional candidate offices as provided in section 10A.31, subdivision 5, and for distribution in that election year to candidates and congressional candidates as provided under section 10A.31, subdivision 7.

Sec. 38. Minnesota Statutes 1986, section 10A.33, is amended to read:
10A.33 [APPLICATION.]

The provisions of sections 10A.30 to 10A.32 ~~shall~~ and sections 33 to 36 apply only in general elections and primaries preceding general elections and shall not apply to special elections or special primaries.

Sec. 39. Minnesota Statutes 1986, section 10A.335, is amended to read:
10A.335 [LEGISLATIVE MONITORING OF TAX CHECK-OFF]

For the purpose of determining whether the distribution ~~formula~~ formulas provided in ~~section 10A.31, subdivision 5~~ sections 25 and 26, (a) ~~assures~~ assure that money will be returned to the counties from which they were collected, and (b) ~~continues~~ continue to have a rational relation to the support for particular parties or particular candidates within legislative districts or congressional candidates within congressional districts, it is the intention of this section that future legislatures monitor, using statistical data provided by the department of revenue, income tax returns and renter and homeowner property tax refund returns on which \$2 \$10, or in the case of a joint return, \$4 \$20, is designated for a political party.

Sec. 40. [CONSTITUTIONAL AMENDMENT.]

Sections 1 to 39 and 42 are effective upon approval by a majority of the voters of the state, voting on the following proposed constitutional amendment at the 1988 general election. An amendment to the Minnesota Constitution, adding a section to article VII, is proposed to the people. If the amendment is adopted, the new section will read:

Sec. 10. [CONGRESSIONAL CAMPAIGN SPENDING LIMITS.]

The amount that may be spent by United States senate and congressional candidates to campaign for nomination or election shall be limited by law.

Sec. 41. [QUESTION.]

The proposed amendment shall be submitted at the 1988 general election. The question submitted shall be:

"Shall the Minnesota Constitution be amended to require campaign spending limits for United States senate and congressional candidates?"

Yes
No "

Sec. 42. [REPEALER.]

Minnesota Statutes 1986, sections 10A.27, subdivision 5; and 10A.32, as amended by Laws 1987, chapter 214, section 8; are repealed."

Amend the title as follows:

Page 1, line 5, after the semicolon, insert "limiting amounts of contributions from political action committees that may be accepted by a congressional candidate; proposing a constitutional amendment to impose campaign spending limits on congressional candidates;"

Page 1, line 8, after the semicolon, insert "10A.15, by adding a subdivision;"

Page 1, line 9, delete "10A.255;"

Page 1, line 11, delete everything after "subdivisions" and insert "5 to 11,"

Page 1, line 12, after the third semicolon, delete "and"

Page 1, line 13, delete "290.06, subdivision 11;" and insert "Minnesota Statutes 1987 Supplement, sections 10A.255; 10A.31, subdivisions 1, 2, and 3;"

Page 1, line 15, delete "10A.02, subdivision"

Page 1, line 16, delete "11a; 10A.25, subdivision 7;"

Page 1, line 17, before the period, insert ", as amended"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 2111, 2025, 1912, 1809, 2465, 1863, 2059, 2398 and 2182 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 2434 and 2117 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Dahl moved that the names of Mr. Marty, Ms. Piper and Mr. Merriam be added as co-authors to S.F. No. 1838. The motion prevailed.

Mr. Laidig introduced—

Senate Resolution No. 132: A Senate resolution congratulating the Stillwater Ponies Girls Basketball Team for winning Fourth Place in the 1988 State High School Class AA Girls Basketball Tournament.

Referred to the Committee on Rules and Administration.

Mr. Novak moved that S.F. No. 2089, No. 24 on Special Orders, be stricken and returned to its author. The motion prevailed.

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate proceeded to the Order of Business of Introduction and First Reading of Senate Bills.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

Mr. Marty introduced—

S.F. No. 2570: A bill for an act relating to health; removing an exception to the prohibition on smoking in health care facilities and clinics; amending Minnesota Statutes 1987 Supplement, section 144.414, subdivision 3.

Referred to the Committee on Health and Human Services.

Mr. Ramstad and Ms. Peterson, D.C. introduced—

S.F. No. 2571: A bill for an act relating to handicapped persons; defining term for purposes of parking of motor vehicles by handicapped persons; amending Minnesota Statutes 1987 Supplement, section 168.021, subdivision 5.

Referred to the Committee on Transportation.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 1622 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 1622

A bill for an act relating to agriculture; clarifying which debtors are eligible for mediation; amending Minnesota Statutes 1986, section 583.24, subdivision 2; Minnesota Statutes 1987 Supplement, section 583.26, subdivision 5.

March 29, 1988

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Robert Vanasek
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 1622, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate concur in the House amendment and that S.F. No. 1622 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [PURPOSE.]

The purpose of this act is to clarify the meaning of Minnesota Statutes, section 583.24, subdivision 2, paragraph (b), which provides that a debtor who owns and leases less than 60 acres is ineligible for mediation if that debtor has less than \$20,000 in gross sales of agricultural products the preceding year. It is and has been the intent of the legislature that a debtor who owns and leases 60 acres or more is eligible for mediation regardless of the amount of gross income from agricultural products.

Sec. 2. Minnesota Statutes 1986, section 583.24, subdivision 2, is amended to read:

Subd. 2. [DEBTORS.] (a) Except as provided in paragraph (b) the farmer-lender mediation act applies to a debtor who is:

(1) a person operating a family farm as defined in section 500.24, subdivision 2;

(2) a family farm corporation as defined in section 500.24, subdivision 2; or

(3) an authorized farm corporation as defined in section 500.24, subdivision 2.

(b) The farmer-lender mediation act does not apply to a debtor who owns and leases less than 60 acres ~~with~~ *if the debtor has* less than \$20,000 in gross sales of agricultural products the preceding year.

Sec. 3. Minnesota Statutes 1987 Supplement, section 583.26, subdivision 5, is amended to read:

Subd. 5. [EFFECT OF MEDIATION PROCEEDING NOTICE.] (a) Except as provided in paragraphs (b), (c), and (d), if a creditor receives a mediation proceeding notice under subdivision 4 the creditor and the creditor's successors in interest may not begin or continue proceedings to enforce a debt subject to the farmer-lender mediation act against agricultural property of the debtor under chapter 580 or 581 or sections 336.9-501 to 336.9-508, to terminate a contract for deed to purchase agricultural property under section 559.21, or to garnish, levy on, execute on, seize, or attach agricultural property until 90 days after the date the debtor files a mediation request with the director.

(b) Except as provided in paragraph (c), if a creditor is an agency of the United States and receives a mediation proceeding notice under subdivision 4, the creditor and the creditor's successors in interest may not begin or continue proceedings to enforce a debt against agricultural property of the debtor under chapter 580 or 581 or sections 336.9-501 to 336.9-508, to terminate a contract for deed to purchase agricultural property under section 559.21, or to garnish, levy on, execute on, seize, or attach agricultural property until ~~180~~ 90 days after the date the debtor files a mediation request with the director.

(c) Notwithstanding paragraphs (a) and (b) or subdivision 1, a creditor receiving a mediation proceeding notice may begin proceedings to enforce a debt against agricultural property of the debtor:

(1) at the time the creditor receives a mediator's affidavit of the debtor's lack of good faith under section 583.27; or

(2) five days after the date the debtor and creditor sign an agreement allowing the creditor to proceed to enforce the debt against agricultural property if the debtor has not rescinded the agreement within the five days.

(d) A creditor receiving a mediation proceeding notice must provide the debtor by the initial mediation meeting with copies of notes and contracts for debts subject to the farmer-lender mediation act and provide a statement of interest rates on the debts, delinquent payments, unpaid principal balance, a list of all collateral securing debts, a creditor's estimate of the value of the collateral, and debt restructuring programs available by the creditor.

(e) The provisions of this subdivision are subject to section 583.27, relating to extension or reduction in the period before a creditor may begin to enforce a debt and court-supervised mediation.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 to 3 are effective the day after final enactment."

Delete the title and insert:

"A bill for an act relating to agriculture; clarifying which debtors are eligible for mediation; amending Minnesota Statutes 1986, section 583.24, subdivision 2; Minnesota Statutes 1987 Supplement, section 583.26, subdivision 5."

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) LeRoy A. Stumpf, John Bernhagen, Keith Langseth

House Conferees: (Signed) Wally A. Sparby, Steve Wenzel, Andy Steensma

Mr. Stumpf moved that the foregoing recommendations and Conference Committee Report on S.F. No. 1622 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 1622 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Jude	Merriam	Purfeerst
Anderson	Davis	Knaak	Metzen	Ramstad
Beckman	Decker	Knutson	Moe, D.M.	Reichgott
Belanger	DeCramer	Laidig	Moe, R.D.	Renneke
Benson	Dicklich	Langseth	Morse	Schmitz
Berg	Diessner	Lantry	Novak	Spear
Berglin	Frederick	Larson	Olson	Storm
Bernhagen	Frederickson, D.J.	Lessard	Pehler	Stumpf
Bertram	Frederickson, D.R.	Luther	Peterson, D.C.	Taylor
Brandl	Freeman	Marty	Peterson, R.W.	Vickerman
Chmielewski	Gustafson	McQuaid	Piper	Waldorf
Cohen	Johnson, D.E.	Mehrkens	Pogemiller	Wegscheid

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

SPECIAL ORDER

H.F. No. 1709: A bill for an act relating to retirement; judges' retirement fund; providing coverage under the combined service annuity, combined service disability benefit, and combined service survivor benefit provisions; requiring the establishment of a bounce-back joint and survivor optional annuity form; amending Minnesota Statutes 1987 Supplement, sections 356.30, subdivision 3; 356.302, subdivision 7; 356.303, subdivision 4; and 490.124, subdivision 11.

CALL OF THE SENATE

Mr. Wegscheid imposed a call of the Senate for the balance of the proceedings on H.F. No. 1709. The Sergeant at Arms was instructed to bring in the absent members.

Mr. Metzzen moved to amend H.F. No. 1709, the unofficial engrossment, as follows:

Pages 41 to 68, delete articles 5 and 6

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 21 and nays 39, as follows:

Those who voted in the affirmative were:

Adkins	Frederick	Jude	Metzen	Vickerman
Berg	Frederickson, D.J.	Kroening	Purfeerst	
Bernhagen	Frederickson, D.R.	Laidig	Renneke	
Bertram	Johnson, D.E.	Larson	Samuelson	
Dicklich	Johnson, D.J.	Lessard	Solon	

Those who voted in the negative were:

Anderson	Davis	Luther	Novak	Reichgott
Beckman	Decker	Marty	Olson	Spear
Belanger	DeCramer	McQuaid	Pehler	Storm
Berglin	Freeman	Mehrkens	Peterson, D.C.	Stumpf
Brandl	Gustafson	Merriam	Peterson, R.W.	Taylor
Chmielewski	Knutson	Moe, D.M.	Piper	Waldorf
Cohen	Langseth	Moe, R.D.	Pogemiller	Wegscheid
Dahl	Lantry	Morse	Ramstad	

The motion did not prevail. So the amendment was not adopted.

Mr. Frederickson, D.R. moved to amend H.F. No. 1709, the unofficial engrossment, as follows:

Page 68, line 23, delete "*subdivisions 1a*" and insert "*subdivision*"

Page 68, line 24, delete "*and*" and delete "*are*" and insert "*is*"

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 29 and nays 33, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Knutson	Mehrkens	Reichgott
Anderson	Dicklich	Kroening	Metzen	Solon
Benson	Frederick	Laidig	Pehler	Storm
Berg	Frederickson, D.R.	Larson	Pogemiller	Taylor
Bernhagen	Johnson, D.E.	Lessard	Purfeerst	Vickerman
Bertram	Jude	McQuaid	Ramstad	

Those who voted in the negative were:

Beckman	Decker	Langseth	Morse	Schmitz
Belanger	DeCramer	Lantry	Novak	Spear
Berglin	Diessner	Luther	Olson	Stumpf
Brandl	Frederickson, D.J.	Marty	Peterson, D.C.	Waldorf
Chmielewski	Freeman	Merriam	Peterson, R.W.	Wegscheid
Dahl	Gustafson	Moe, D.M.	Piper	
Davis	Johnson, D.J.	Moe, R.D.	Renneke	

The motion did not prevail. So the amendment was not adopted.

H.F. No. 1709 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knutson	Moe, R.D.	Schmitz
Anderson	Decker	Laidig	Morse	Solon
Beckman	DeCramer	Langseth	Novak	Spear
Belanger	Dicklich	Lantry	Olson	Storm
Benson	Diessner	Larson	Pehler	Stumpf
Berg	Frederick	Lessard	Peterson, D.C.	Taylor
Berglin	Frederickson, D.J.	Luther	Peterson, R.W.	Vickerman
Bernhagen	Frederickson, D.R.	Marty	Piper	Waldorf
Bertram	Freeman	McQuaid	Pogemiller	Wegscheid
Brandl	Gustafson	Mehrkens	Purfeerst	
Chmielewski	Johnson, D.E.	Merriam	Ramstad	
Cohen	Johnson, D.J.	Metzen	Reichgott	
Dahl	Jude	Moe, D.M.	Renneke	

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 1077: A bill for an act relating to retirement; conforming mandatory retirement provisions for public employees to the federal Age Discrimination in Employment Amendments of 1986; amending Minnesota Statutes 1986, sections 43A.34, subdivisions 1 and 4; 181.81, subdivision 1; 181.811; 354.44, subdivision 1a; 354A.21; 422A.09, subdivision 3; and 423.076; repealing Minnesota Statutes 1986, sections 43A.34, subdivision 2; 125.12, subdivision 5; and 473.419.

Mr. Kroening moved to amend H.F. No. 1077, the unofficial engrossment, as follows:

Page 6, after line 35, insert:

"Sec. 10. Laws 1949, chapter 406, section 5, is amended by adding a subdivision to read:

Subd. 7. [INVESTMENT RELATED POSTRETIREMENT PAYMENTS.] (a) For the purpose of this subdivision, these terms have the following meaning:

(1) "Excess investment income" means the amount by which the time weighted total rate of return earned by the fund in the most recent fiscal year has exceeded the actual percentage increase in the current monthly salary of a top grade patrol officer in the most recent fiscal year plus 1.5 percent. The excess investment income must be expressed as a dollar amount; excess investment income shall not exceed 1.5 percent of the total assets of the fund and does not exist unless the time weighted total rate of return of the fund exceeds five percent.

(2) "Time weighted total rate of return" means the percentage amount determined by using the formula or formulas established by the state board of investment under Minnesota Statutes, section 11A.04, clause (11), and in effect on January 1, 1987.

(3) "Eligible member" means any person, including service pensioners, disability pensioners, their survivors, or dependents, who received an annuity during the 12 months prior to the determination date. Members who received

an annuity for the entire 12 months prior to the determination date are eligible for a full annual postretirement payment. Members who received an annuity for less than 12 months prior to the determination date are eligible for prorated annual postretirement payments.

(4) "Determination date" means December 31 of each year.

(5) "Annual postretirement payment" means the payment of a lump sum postretirement benefit to eligible members on June 1 following the determination date in any year.

(b) The board of trustees of the relief association shall determine by May 1 of each year whether the relief association has excess investment income. The amount of excess investment income, if any, must be stated as a dollar amount and reported by the relief association to the governing body of the municipality, the state auditor, the commissioner of finance, and the legislative commission on pensions and retirement. The dollar amount of excess investment income up to 1.5 percent of the assets of the fund must be applied for the purposes specified in paragraphs (c) and (d). Excess investment income must not be considered for actuarial valuations of the fund for that year under Minnesota Statutes, sections 69.77, 356.215, and 356.216. Additional investment income must be included in the actuarial valuations performed under sections 69.77, 356.215, and 356.216.

(c) The amount determined by paragraph (b) must be applied as follows:

(1) one-third of the excess investment income must be paid as a benefit to eligible members under paragraph (d) in an amount not to exceed .5 percent of the assets of the fund or an amount equal to the total monthly benefit that the eligible member was entitled to in the prior year under the terms of the pension plan, whichever is less;

(2) the state amortization state aid or supplementary amortization state aid payments otherwise due to the relief association under Minnesota Statutes, section 423A.02, for the current calendar year must be reduced by one-third of the amount of the excess investment income; and

(3) the minimum obligation of the municipality otherwise due to the relief association for the following calendar year must be reduced by one-third of the amount of excess investment income.

(d) The relief association shall pay an annual postretirement payment to all eligible members in an amount not to exceed .5 percent of the assets of the fund. Payment of the annual postretirement payment shall be in a lump sum amount on June 1 following the determination date in any year. Payment of the annual postretirement payment shall be made only if the time weighted total rate of return exceeds five percent in any year. The total amount of all payments to members shall not exceed the amount determined under paragraph (b) of this subdivision. Payment to each eligible member shall be calculated by dividing the total number of pension units to which eligible members are entitled into the excess investment income available for distribution to members, and then multiplying that result by the number of units to which each eligible member is entitled to determine each eligible member's annual postretirement payment. Payment to each eligible member shall not exceed an amount equal to the total monthly benefit that the eligible member was entitled to in the prior year under the terms of the pension plan.

(e) In the event an eligible member dies prior to the payment of the

postretirement payment, the relief association shall pay that eligible member's estate the amount to which the eligible member was entitled.

(f) The relief association shall submit a report on the amount of all postretirement payments made pursuant to this section and the manner in which those payments were determined to the state auditor, the executive secretary of the legislative commission on pensions and retirement, and the Minneapolis city clerk.

Sec. 11. [MINNEAPOLIS FIRE; POSTRETIREMENT PAYMENTS.]

Subdivision 1. [AUTHORIZED.] Notwithstanding the provisions of Minnesota Statutes, chapter 69, or any other law to the contrary, the Minneapolis fire department relief association shall provide postretirement payments to eligible members under subdivision 2.

Subd. 2. [DEFINITIONS; CALCULATION.] (a) For the purpose of this subdivision these terms have the following meaning:

(1) "Excess investment income" means the amount by which the time weighted total rate of return earned by the fund in the most recent fiscal year has exceeded the actual percentage increase in the current monthly salary of a top grade firefighter in the most recent fiscal year plus 1.5 percent. The excess investment income must be expressed as a dollar amount; excess investment income shall not exceed 1.5 percent of the total assets of the fund and does not exist unless the time weighted total rate of return of the fund exceeds five percent.

(2) "Time weighted total rate of return" means the percentage amount determined by using the formula or formulas established by the state board of investment under Minnesota Statutes, section 11A.04, clause (11), and in effect on January 1, 1987.

(3) "Eligible member" means any person, including service pensioners, disability pensioners, their survivors, or dependents, who received an annuity during the 12 months prior to the determination date. Members who received an annuity for the entire 12 months prior to the determination date are eligible for a full annual postretirement payment. Members who received an annuity for less than 12 months prior to the determination date are eligible for prorated annual postretirement payments.

(4) "Determination date" means December 31 of each year.

(5) "Annual postretirement payment" means the payment of a lump sum postretirement benefit to eligible members on June 1 following the determination date in any year.

(b) The board of trustees of the relief association shall determine by May 1 of each year whether the relief association has excess investment income. The amount of excess investment income, if any, must be stated as a dollar amount and reported by the relief association to the governing body of the municipality, the state auditor, the commissioner of finance, and the legislative commission on pensions and retirement. The dollar amount of excess investment income up to 1.5 percent of the assets of the fund must be applied for the purposes specified in paragraphs (c) and (d). Excess investment income must not be considered for actuarial valuations of the fund for that year under Minnesota Statutes, sections 69.77, 356.215, and 356.216. Additional investment income must be included in the actuarial valuations performed under sections 69.77, 356.215, and 356.216.

(c) The amount determined by paragraph (b) must be applied as follows:

(1) one-third of the excess investment income must be paid as a benefit to eligible members under paragraph (d) in an amount not to exceed .5 percent of the assets of the fund or an amount equal to the total monthly benefit that the eligible member was entitled to in the prior year under the terms of the pension plan, whichever is less;

(2) the state amortization state aid or supplementary amortization state aid payments otherwise due to the relief association under Minnesota Statutes, section 423A.02 for the current calendar year must be reduced by one-third of the amount of the excess investment income; and

(3) the minimum obligation of the municipality otherwise due to the relief association for the following calendar year must be reduced by one-third of the amount of excess investment income.

(d) The relief association shall pay an annual postretirement payment to all eligible members in an amount not to exceed .5 percent of the assets of the fund. Payment of the annual postretirement payment shall be in a lump sum amount on June 1 following the determination date in any year. Payment of the annual postretirement payment shall be made only if the time weighted total rate of return exceeds five percent in any year. The total amount of all payments to members shall not exceed the amount determined under paragraph (b) of this subdivision. Payment to each eligible member shall be calculated by dividing the total number of pension units to which eligible members are entitled into the excess investment income available for distribution to members, and then multiplying that result by the number of units to which each eligible member is entitled to determine each eligible member's annual postretirement payment. Payment to each eligible member shall not exceed an amount equal to the total monthly benefit that the eligible member was entitled to in the prior year under the terms of the pension plan.

(e) In the event an eligible member dies prior to the payment of the postretirement payment, the relief association shall pay that eligible member's estate the amount to which the eligible member was entitled.

(f) The relief association shall submit a report on the amount of all postretirement payments made pursuant to this section and the manner in which those payments were determined to the state auditor, the executive secretary of the legislative commission on pensions and retirement, and the Minneapolis city clerk.

Sec. 12. [NONENTITLEMENT OF ANNUAL POSTRETIREMENT PAYMENT.]

No provision of, or payment made under, section 10 or 11 shall be interpreted or relied upon by any member of either the Minneapolis police relief association or the Minneapolis fire department relief association to guarantee or entitle a member to annual postretirement benefits for a period when no excess investment income is earned by either fund."

Page 7, after line 17, insert:

"Sections 10, 11, and 12 are effective upon approval by the Minneapolis city council and compliance with Minnesota Statutes, section 645.021."

Renumber the sections of article 2 in sequence

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 49 and nays 13, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Metzen	Ramstad
Anderson	Decker	Knutson	Moe, R.D.	Reichgott
Beckman	DeCramer	Kroening	Morse	Renneke
Belanger	Dicklich	Laidig	Novak	Schmitz
Benson	Frederick	Lantry	Olson	Solon
Berglin	Frederickson, D.J.	Larson	Pehler	Spear
Bernhagen	Frederickson, D.R.	Lessard	Peterson, D.C.	Storm
Bertram	Freeman	Luther	Piper	Taylor
Brandl	Johnson, D.E.	McQuaid	Pogemiller	Vickerman
Dahl	Johnson, D.J.	Mehrkens	Purfeerst	

Those who voted in the negative were:

Berg	Diessner	Marty	Peterson, R.W.	Wegscheid
Chmielewski	Gustafson	Merriam	Stumpf	
Cohen	Langseth	Moe, D.M.	Waldorf	

The motion prevailed. So the amendment was adopted.

H.F. No. 1077 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Kroening	Moe, R.D.	Schmitz
Anderson	Decker	Laidig	Morse	Solon
Beckman	DeCramer	Langseth	Novak	Spear
Belanger	Dicklich	Lantry	Olson	Storm
Benson	Diessner	Larson	Pehler	Stumpf
Berg	Frederick	Lessard	Peterson, D.C.	Taylor
Berglin	Frederickson, D.J.	Luther	Peterson, R.W.	Vickerman
Bernhagen	Frederickson, D.R.	Marty	Piper	Waldorf
Bertram	Gustafson	McQuaid	Pogemiller	Wegscheid
Brandl	Johnson, D.E.	Mehrkens	Purfeerst	
Chmielewski	Johnson, D.J.	Merriam	Ramstad	
Cohen	Jude	Metzen	Reichgott	
Dahl	Knutson	Moe, D.M.	Renneke	

So the bill, as amended, passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 2477: A bill for an act relating to retirement; local government correctional service retirement plan; clarifying coverage periods; adjusting member and employer contribution rates; clarifying annuity calculations for fractional service; clarifying the duration of initial annuity payments; providing for the augmentation of deferred annuities; clarifying certain provisions of law relating to retirement annuities and disability benefits of military affairs personnel; amending Minnesota Statutes 1987 Supplement, sections 352.85, subdivisions 1 and 2; 353C.03; 353C.05; 353C.06, subdivisions 3 and 4; and 353C.07.

Mr. Pogemiller moved to amend H.F. No. 2477, as amended pursuant to Rule 49, adopted by the Senate March 28, 1988, as follows:

(The text of the amended House File is identical to S.F. No. 2175.)

Pages 15 and 16, delete article 4

Renumber the articles in sequence

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 2477 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.J.	Mehrkens	Ramstad
Anderson	Davis	Jude	Merriam	Reichgott
Beckman	Decker	Knutson	Moe, R. D.	Renneke
Belanger	DeCramer	Kroening	Morse	Schmitz
Benson	Dicklich	Laidig	Novak	Solon
Berg	Diessner	Langseth	Olson	Spear
Berglin	Frederick	Lantry	Pehler	Storm
Bernhagen	Frederickson, D.J.	Larson	Peterson, D.C.	Stumpf
Bertram	Frederickson, D.R.	Lessard	Peterson, R. W.	Taylor
Brandl	Freeman	Luther	Piper	Vickerman
Chmielewski	Gustafson	Marty	Pogemiller	Waldorf
Cohen	Johnson, D.E.	McQuaid	Purfeerst	Wegscheid

So the bill, as amended, passed and its title was agreed to.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

S.F. No. 2569: Messrs. Waldorf, Dicklich, Mrs. Brataas, Messrs. Dahl and Taylor.

H.F. No. 1749: Messrs. Purfeerst, DeCramer, Stumpf, Mrs. Lantry and Mr. Langseth.

S.F. No. 2226: Messrs. Pogemiller, Freeman and Frederickson, D.R.

S.F. No. 2009: Meses. Berglin, Reichgott and Mr. Knaak.

H.F. No. 1795: Meses. Berglin, Piper and Mr. Storm.

S.F. No. 1686: Messrs. Frederickson, D.J.; Berg and Frederickson, D.R.

S.F. No. 2003: Messrs. Moe, D.M.; Wegscheid and Ms. Olson.

H.F. No. 2126: Mr. Samuelson, Ms. Piper, Messrs. Knutson, Freeman and Ms. Berglin.

H.F. No. 1980: Messrs. Beckman, Vickerman and Renneke.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Peterson, R. W. moved that the following members be excused for a Conference Committee on H.F. No. 2245 from 2:30 to 5:00 p.m.:

Messrs. DeCramer, Pehler, Meses. Reichgott; Peterson, D.C. and Mr. Peterson, R.W. The motion prevailed.

MEMBERS EXCUSED

The following member was excused from today's Session for brief periods of time: Mr. Johnson, D.J.

Mr. Pehler was excused from the Session of today from 1:30 to 2:30 p.m. Mr. Johnson, D.J. was excused from the Session of today from 11:00 a.m. to 1:30 p.m. Mr. Bertram was excused from the Session of today from 4:00 to 5:00 p.m. Mrs. Brataas was excused from the Session of today at 3:00 p.m. Mr. Hughes was excused from the Session of today at 5:45 p.m. Mr. Frank was excused from the Session of today at 9:35 p.m. Mr. Knaak was excused from the Session of today at 10:30 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:00 noon, Tuesday, April 5, 1988. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

EIGHTIETH DAY

St. Paul, Minnesota, Tuesday, April 5, 1988

The Senate met at 12:00 noon and was called to order by the President.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Delton Krueger.

The roll was called, and the following Senators answered to their names:

Adkins	Davis	Jude	Metzen	Renneke
Anderson	Decker	Knaak	Moe, D.M.	Samuelson
Beckman	DeCramer	Knutson	Moe, R.D.	Schmitz
Belanger	Dicklich	Kroening	Morse	Solon
Benson	Diessner	Laidig	Novak	Spear
Berg	Frank	Langseth	Olson	Storin
Berglin	Frederick	Lantry	Pehler	Stumpf
Bernhagen	Frederickson, D.J.	Larson	Peterson, D.C.	Taylor
Bertram	Frederickson, D.R.	Lessard	Peterson, R.W.	Vickerman
Brandl	Freeman	Luther	Piper	Waldorf
Brataas	Gustafson	Marty	Pogemiller	Wegscheid
Chmielewski	Hughes	McQuaid	Purfeerst	
Cohen	Johnson, D.E.	Mehrkens	Ramstad	
Dahl	Johnson, D.J.	Merriam	Reichgott	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

REPORTS FILED WITH THE SECRETARY OF THE SENATE

The following reports were received and filed by the Secretary of the Senate: Department of Employee Relations, Equal Opportunity Division, Affirmative Action, Annual Report, 1988; Department of Labor and Industry, Workers' Compensation in Minnesota, 1988; Department of Labor and Industry, Workers' Compensation in Minnesota, Background Research Studies, 1988; Department of Transportation, Highway Jurisdiction, 1988; Minnesota Racing Commission, Annual Report, 1987; Department of Administration, Management Study of the Minnesota Veterans Homes, 1987; Department of Human Services, Mental Health Programs, 1988; Department of Health, Maternal and Child Health Services Block Grant, 1988; Department of Agriculture, Farm Financial Data Collection Task Force, 1987; Department of Human Services, Social Services Information Reporting, 1988; Minnesota Community Colleges, Fond duLac Higher Education Center, Progress Report, 1987; Department of Administration, Capitol

Complex Childcare Study, 1988; State Board of Investment, Annual Report, 1987; State Board of Investment, Annual Report, Part II, 1987; Minnesota Housing Finance Agency, Deferred Housing Rehabilitation Loans for Members of the Minnesota Chippewa Tribe and the Red Lake Band of Chippewa Indians, 1988; Department of Health, Non-Compliant Legislation Cost Summary, July 1 - December 1, 1987; University of Minnesota, Rank Funding Adjustment, Annual Report, 1988; Department of Administration, Minnesota Humane Society, 1988; Board of Peace Officer Standards and Training, Annual Report, 1988; Metropolitan Airports Commission, Affirmative Action Report, 1987; Public Employees Retirement Association, Comprehensive Annual Financial Report, 1987; Board of Investment, External Money Manager Report, 1988; Department of Agriculture, Annual Report, Minnesota's Commodities Promotion and Checkoff Programs, 1988; Department of Jobs and Training, Summer Youth Employment Programs, 1987; Board of Governors, Big Island Veterans Camp, Annual Report, 1987; Department of Administration, Policies and Costs of Leasing Space Versus Constructing New Buildings to House State Agencies, 1988; Minnesota Zoological Garden, Annual Report, 1987; State Auditor, Revenues, Expenditures and Debt of the Towns in Minnesota, Fiscal Year ended February 28, 1987; Department of Human Services, Experimental Project Materials, 1988; Metropolitan State University, Financial Operations Summary, Fiscal Year ended June 30, 1987; Department of Human Services, Summary of Minnesota Public Assistance Trends, Fiscal Year 1987; Department of Health, Minnesota Health Care Markets, 1987.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received.

March 29, 1988

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1988 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Date Approved 1988	Date Filed 1988
	81	419	March 29	March 29
	1732	420	March 29	March 29
	1767	421	March 29	March 29
	1926	422	March 29	March 29
	2463	423	March 29	March 29
	2558	424	March 29	March 29
187		425	March 29	March 29
678		426	March 29	March 29
1710		427	March 29	March 29
2367		428	March 29	March 29

Sincerely,
Joan Anderson Growe

Secretary of State

March 30, 1988

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F Nos. 1607, 1861 and 1970.

Sincerely,
Rudy Perpich, Governor

March 30, 1988

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1988 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Date Approved 1988	Date Filed 1988
	320	429	March 30	March 30
	2083	430	March 30	March 30
	2120	431	March 30	March 30
	2270	432	March 30	March 30
1607		433	March 30	March 30
1861		434	March 30	March 30
1970		435	March 30	March 30

Sincerely,
Joan Anderson Growe
Secretary of State

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 2151.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 30, 1988

FIRST READING OF HOUSE BILLS

The following bill was read the first time and referred to the committee indicated.

H.F. No. 2151: A bill for an act relating to retirement; authorizing early unreduced retirement under the rule of 90 for the Minnesota state retirement system and the teachers retirement association; allowing municipalities and counties to use excess state aid distributions for health insurance purposes; state university and community college faculty; establishing an individual retirement account plan; amending Minnesota Statutes 1986, sections 69.031, subdivision 5; 354.05, by adding a subdivision; 354.44, subdivision 6; 354.50, subdivision 1; and 356.24; Minnesota Statutes 1987 Supplement, section 352.116, by adding a subdivision; proposing coding for new law as Minnesota Statutes, chapter 354B.

Referred to the Committee on Finance.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 1840: A bill for an act relating to telephones; combining local telephone service surcharges for emergency telephone service, telephone access for hearing impaired, and the telephone assistance plan into one surcharge; requiring the department of administration to separate the surcharges and administer the three separate accounts; adding low-income disabled persons to those eligible for the telephone assistance plan; clarifying eligibility for telephone assistance; clarifying administrative functions of and reimbursements to state agencies and telephone companies; amending Minnesota Statutes 1987 Supplement, sections 237.69, subdivision 6, and by adding subdivisions; and 237.70, subdivisions 3, 4, and 7; Laws 1987, chapter 340, section 17; proposing coding for new law in Minnesota Statutes, chapter 237; repealing Minnesota Statutes 1987 Supplement, section 237.72.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 23, delete "*the*" and delete "*State*" and insert "*911/Improved Access*"

Page 1, line 24, delete "*Programs Surcharge*"

Page 1, lines 28 and 32, delete "*department*" and insert "*commissioner*"

Page 2, line 2, delete "*deposit*" and insert "*credit*" and delete "*in*" and insert "*to*"

Page 2, line 4, delete "*237.50 to 237.56,*" and delete the second comma

Page 2, delete section 4

Page 4, line 20, strike from "*and*" to page 4, line 21, "*pool*"

Page 4, lines 29 and 35, delete "*department*" and insert "*commissioner*"

Page 5, line 1, after "*the*" insert "*state treasury and credit to the general*"

Page 5, lines 2 and 20, delete "*department*" and insert "*commissioner*"

Page 5, line 3, strike "*from the surcharge revenue pool*"

Page 5, delete lines 30 and 31

Pages 5 and 6, delete section 8

Page 6, line 31, delete "9" and insert "7"

Page 6, after line 31, insert:

"Sec. 9. [APPROPRIATION.]

\$3,689,600 is appropriated from the general fund to the agencies and for the purposes indicated in this section.

(a) To the public utilities commission, \$15,000 for fiscal year 1989.

(b) To the commissioner of human services, \$50,000 for fiscal year 1989.

(c) To the commissioner of administration, \$1,189,600 for fiscal year 1988 and \$2,435,000 for fiscal year 1989, of which not more than \$5,000 for fiscal year 1988 and \$10,000 for fiscal year 1989 may be used for administrative costs."

Page 6, line 36, delete "Sections 1 to 11 are" and insert "This act is" and after "following" insert "final"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, delete "department" and insert "commissioner"

Page 1, line 12, after the semicolon, insert "appropriating money;"

Page 1, line 14, delete "subdivisions" and insert "a subdivision"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 392: A bill for an act relating to public safety; providing for the mandatory surrender of registration plates and certificates of motor vehicles operated by repeat DWI offenders; providing for administrative review; requiring a report; amending Minnesota Statutes 1986, sections 168.041; 169.123, subdivision 5b; 169.1261; and 171.29, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 5, line 9, delete "(1)"

Page 5, line 10, delete "(2)"

Page 5, line 11, delete "(3)"

Page 6, after line 35, insert:

"Sec. 2. Minnesota Statutes 1987 Supplement, section 169.121, subdivision 5a, is amended to read:

Subd. 5a. [CHEMICAL DEPENDENCY ASSESSMENT CHARGE.] When a court sentences a person convicted of an offense enumerated in section 169.126, subdivision 1, it shall impose a chemical dependency assessment charge of \$75. This section applies when the sentence is executed, stayed, or suspended. The court may not waive payment or authorize payment of the assessment charge in installments unless it makes written findings on the record that the convicted person is indigent or that the

assessment charge would create undue hardship for the convicted person or that person's immediate family.

The court shall collect and forward to the commissioner of finance the total amount of the chemical dependency assessment charge ~~and within 60 days after sentencing or explain to the commissioner in writing why the money was not forwarded within this time period.~~ The commissioner shall credit the money to the drinking and driving repeat offense prevention account created in section 169.126, subdivision 4a.

The chemical dependency assessment charge required under this section is in addition to the surcharge required by section 609.101."

Page 7, line 34, delete "*who is not the violator*"

Page 7, line 35, before the period, insert "*, if the owner is not the violator*".

Page 8, line 17, delete "5" and insert "6"

Page 8, after line 19, insert:

"Sec. 7. [APPROPRIATION.]

\$91,000 is appropriated to the commissioner of public safety for the purposes of sections 1 to 7: \$68,100 is from the highway user tax distribution fund and \$22,900 is from the trunk highway fund."

Page 8, line 21, delete "6" and insert "7"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, after the semicolon, insert "*appropriating money;*"

Page 1, line 8, before the period, insert "*; and Minnesota Statutes 1987 Supplement, section 169.121, subdivision 5a*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 2000: A bill for an act proposing an amendment to the Minnesota Constitution by adding a section to article XI; establishing a Minnesota environment, natural resources, and wildlife trust fund; providing implementing legislation; creating a legislative commission; proposing coding for new law in Minnesota Statutes, chapter 86; repealing Minnesota Statutes 1986, sections 86.01; 86.02; 86.03; 86.06; 86.07; and 86.08.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, delete lines 20 and 21

Page 1, line 27, delete "*until the year 2015*"

Page 3, line 18, after "*credit*" insert "*one-half of the net proceeds from any lottery operated by the state and any other*"

Page 4, line 17, delete "*audit commission*" and insert "*auditor*"

Page 4, line 22, delete "*(a)*"

Page 4, line 27, delete "chair" and insert "subcommittee on committees"

Page 4, line 32, delete "(b)" and insert "Subd. 2. [EXPENSES.]"

Page 4, delete lines 35 and 36

Page 5, delete line 1

Page 5, line 15, after the period, insert "*The plan is advisory only. The commission shall submit the plan, as a recommendation, to the house of representatives appropriations and senate finance committees by February 1 of each odd-numbered year.*"

Page 5, line 16, delete "PLAN" and delete "only fund" and insert "recommend funding only for"

Page 5, delete lines 20 to 23 and insert:

"(c) *The commission shall recommend to the legislature a budget for the trust fund.*"

Page 5, line 27, after "may" insert "only"

Page 7, delete line 34 and insert "*in its budget for the trust fund.*"

Page 8, line 4, delete the second comma

Page 9, line 4, delete "PLAN"

Page 9, lines 13, 16, 19, 22, and 25, delete "plan"

Page 10, after line 26, insert:

"Sec. 13. Minnesota Statutes 1987 Supplement, section 116O.12, is amended to read:

116O.12 [GREATER MINNESOTA FUND.]

(a) The Greater Minnesota fund is created in the state treasury. The board may require the commissioner of finance to create separate accounts within the fund for use in accordance with the fund's purposes. Money in the fund not needed for the immediate purposes of the corporation may be invested by the corporation in any way authorized by section 11A.24. Money in the fund is appropriated to the corporation to be used as provided in this chapter.

(b) The fund consists of:

(1) money appropriated and transferred from other state funds;

(2) fees and charges collected by the corporation;

(3) income from investments and purchases;

(4) revenue from loans, rentals, royalties, dividends, and other proceeds collected in connection with lawful corporate purposes; and

(5) gifts, donations, and bequests made to the corporation; and

(6) *one-half the net proceeds from any lottery operated by the state, which must be credited to the fund.*"

Page 10, line 31, delete "13" and insert "12 and 14"

Page 10, line 32, after the period, insert "*Section 13 is effective the day following final enactment.*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, after the semicolon insert "dedicating state lottery proceeds, one-half to the trust fund and one-half to the greater Minnesota corporation; amending Minnesota Statutes 1987 Supplement, section 116O.12;"

And when so amended the bill do pass and be re-referred to the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2537 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

SPECIAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2537	1765				

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2031 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

SPECIAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2031	1891				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2031 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2031 and insert the language after the enacting clause of S.F. No. 1891, the second engrossment; further, delete the title of H.F. No. 2031 and insert the title of S.F. No. 1891, the second engrossment.

And when so amended H.F. No. 2031 will be identical to S.F. No. 1891, and further recommends that H.F. No. 2031 be given its second reading and substituted for S.F. No. 1891, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1981 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

SPECIAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1981	1863				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1981 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1981 and insert the language after the enacting clause of S.F. No. 1863, the first engrossment; further, delete the title of H.F. No. 1981 and insert the title of S.F. No. 1863, the first engrossment.

And when so amended H.F. No. 1981 will be identical to S.F. No. 1863, and further recommends that H.F. No. 1981 be given its second reading and substituted for S.F. No. 1863, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2536 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

SPECIAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2536	2398				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2536 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2536 and insert the language after the enacting clause of S.F. No. 2398, the second engrossment; further, delete the title of H.F. No. 2536 and insert the title of S.F. No. 2398, the second engrossment.

And when so amended H.F. No. 2536 will be identical to S.F. No. 2398, and further recommends that H.F. No. 2536 be given its second reading and substituted for S.F. No. 2398, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 1840 and 392 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 2537, 2031, 1981 and 2536 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Storm introduced—

Senate Resolution No. 133: A Senate resolution congratulating the Edina Hornets Girls Basketball Team for winning the 1988 State High School Class AA Girls Basketball Tournament.

Referred to the Committee on Rules and Administration.

SPECIAL ORDER

H.F. No. 1939: A bill for an act relating to agriculture; changing the continuing effect of certain farmer-lender mediation rules; repealing certain conflicting language relating to food handler license fees; amending Laws 1987, chapter 292, section 35; repealing Laws 1987, chapter 358, section 85.

Mr. Berg moved to amend H.F. No. 1939, as amended pursuant to Rule 49, adopted by the Senate March 23, 1988, as follows:

(The text of the amended House File is identical to S.F. No. 1743.)

Page 1, after line 9, insert:

“Section 1. Minnesota Statutes 1987 Supplement, section 500.24, subdivision 6, is amended to read:

Subd. 6. [DISPOSAL OF LAND.] (a) A state or federal agency or a corporation, other than a family farm corporation or an authorized farm corporation, may not lease or sell agricultural land or a farm homestead that was acquired by enforcing a debt against the agricultural land or farm homestead, including foreclosure of a mortgage, accepting a deed in lieu of foreclosure, terminating a contract for deed, or accepting a deed in lieu of terminating a contract for deed, before offering or making a good faith effort to offer the land for sale or lease to the immediately preceding former owner at a price no higher than the highest price offered by a third party that is acceptable to the seller or lessor. The offer must be made on the notice to offer form under subdivision 7. Selling or leasing property to a third party at a price is prima facie evidence that the price is acceptable to the seller or lessor.

(b) For purposes of this subdivision, the term “a price no higher than the highest price offered by a third party” means the acceptable cash price offered by a third party or the acceptable time-price offer made by a third party. A cash price offer is one that involves simultaneous transfer of title for payment of the entire amount of the offer. If the acceptable offer made by a third party is a time-price offer, the seller or lessor must make the same time-price offer or an equivalent cash offer to the immediately preceding former owner. An equivalent cash offer is equal to the total of the payments made over a period of the time-price offer discounted by yield curve of the United States treasury notes and bonds on the first business day of the month in which the offer is personally delivered or mailed for time periods similar to the time period covered by the time-price offer, plus 2.0 percent. A time-price offer is an offer that defers payment of a

portion of the price and does not involve a transfer of fee title until payment of the entire amount of the offer is made is financed entirely or partially by the seller and includes an offer to purchase under a contract for deed or mortgage. An equivalent cash offer is not required to be made if the state participates in an offer to a third party through the rural finance authority.

(c) This subdivision applies to a seller when the property is sold and to a lessor each time the property is leased, for five years after the agricultural land is acquired except:

(1) an offer to lease to the immediately preceding former owner is required only until the immediately preceding owner fails to accept an offer to lease the property or the property is sold; and

(2) an offer to sell to the immediately preceding former owner is required until the property is sold.

(d) The notice of an offer under subdivision 7 that is personally delivered with a signed receipt or sent by certified mail with a receipt of mailing to the immediately preceding former owner's last known address is a good faith offer.

(e) This subdivision does not apply to a sale or lease that occurs after the seller or lessor has held the property for five years or longer.

(f) For purposes of this subdivision, if the immediately preceding former owner is a bankruptcy estate the debtor in the bankruptcy is the immediately preceding owner.

(g) The immediately preceding former owner must exercise the right to lease agricultural land or a homestead located on agricultural land in writing within 15 days after an offer to lease under this subdivision is mailed with a receipt of mailing or personally delivered. The immediately preceding former owner must exercise the right to buy the agricultural land or farm homestead located on agricultural land, in writing, within 65 days after an offer to buy under this subdivision is mailed with a receipt of mailing or is personally delivered. Within ten days after exercising the right to lease or buy by accepting the offer, the immediately preceding owner must fully perform according to the terms of the offer including paying the amounts due. A seller may sell and a lessor may lease the agricultural land or farm homestead subject to this subdivision to the third party in accordance with their lease or purchase agreement if:

(1) the immediately preceding former owner does not accept an offer to lease or buy before the offer terminates; or

(2) the immediately preceding former owner does not perform the obligations of the offer, including paying the amounts due, within ten days after accepting the offer.

(h) A certificate indicating whether or not the property contains agricultural land or a farm homestead that is signed by the county assessor where the property is located and recorded in the office of the county recorder or the registrar of titles where the property is located is prima facie evidence of whether the property is agricultural land or a farm homestead.

(i) As prima facie evidence that an offer to sell or lease agricultural land or a farm homestead has terminated, a receipt of mailing the notice under subdivision 7 and an affidavit, signed by a person authorized to act on

behalf of a state, federal agency, or corporation selling or leasing the agricultural land or a farm homestead may be filed in the office of the county recorder or registrar of titles of the county where the agricultural land or farm homestead is located. The affidavit must state that:

(1) notice of an offer to buy or lease the agricultural land or farm homestead was provided to the immediately preceding former owner at a price not higher than the highest price offered by a third party that is acceptable;

(2) the time during which the immediately preceding former owner is required to exercise the right to buy or lease the agricultural land or farm homestead has expired;

(3) the immediately preceding former owner has not exercised the right to buy or lease the agricultural land or farm homestead as provided in this subdivision or has accepted an offer and has not fully performed according to the terms of the offer; and

(4) the offer to the immediately preceding former owner has terminated.

(j) The right of an immediately preceding former owner to receive an offer to lease or purchase agricultural land under this subdivision or to lease or purchase at a price no higher than the highest price offered by a third party that is acceptable to the seller or lessor may be extinguished or limited by an express statement signed by the immediately preceding owner that complies with the plain language requirements of section 325G.31. The right may not be extinguished or limited except by the:

(1) *an express statement in a deed in lieu of foreclosure of the agricultural land;*

(2) *an express statement in a deed in lieu of a termination of a contract for deed for the agricultural land; or*

(3) *an express statement conveying the right to the state or federal agency or corporation owning the agricultural land that is required to make an offer under this subdivision or to cure a title defect, an express statement conveying the right may be made to a person to whom the agricultural land has been transferred by the state or federal agency or corporation.*

(k) The right of an immediately preceding former owner to receive an offer to lease or purchase agricultural land under this subdivision may not be assigned or transferred *except as provided in paragraph (j)*, but may be inherited.

(l) An immediately preceding former owner may not sell agricultural land acquired by accepting an offer under this subdivision if the arrangement of the sale was negotiated or agreed to prior to the former owner accepting the offer under this subdivision. A person who sells property in violation of this paragraph is liable for damages plus court costs and attorney fees, to a person who is damaged by a sale in violation of this paragraph. There is a rebuttable presumption that a sale by an immediately preceding former owner is in violation of this paragraph if the sale takes place within 180 days of the former owner accepting the offer under this subdivision. This paragraph does not apply to a sale by an immediately preceding former owner to the owner's spouse, the owner's parents, or the owner's children.

Sec. 2. Minnesota Statutes 1987 Supplement, section 500.24, subdivision 7, is amended to read:

Subd. 7. [NOTICE OF OFFER.] (a) The state, a federal agency, or a corporation subject to subdivision 6 must provide a notice of an offer to sell or lease agricultural land substantially as follows, after inserting the appropriate terms within the parentheses:

“NOTICE OF OFFER TO (LEASE, BUY) AGRICULTURAL LAND
 TO: (. Immediately preceding former owner)
 FROM: (. The state, federal agency, or corporation
 subject to subdivision 6)
 DATE: (. date notice is mailed or personally delivered)

(. The state, federal agency, or corporation) HAS ACQUIRED THE AGRICULTURAL LAND DESCRIBED BELOW AND HAS RECEIVED AN ACCEPTABLE OFFER TO (LEASE, SELL) THE AGRICULTURAL LAND FROM ANOTHER PARTY. UNDER MINNESOTA STATUTES, SECTION 500.24, SUBDIVISION 6, AN OFFER FROM (. the state, federal agency, or corporation) MUST BE MADE TO YOU AT A PRICE NO HIGHER THAN THE HIGHEST OFFER MADE BY ANOTHER PARTY.

THE AGRICULTURAL LAND BEING OFFERED CONTAINS APPROXIMATELY (. approximate number of acres) ACRES AND IS INFORMALLY DESCRIBED AS FOLLOWS:

(Informal description of the agricultural land being offered that reasonably describes the land. This description does not need to be a legal description.)

(. The state, federal agency, or corporation) OFFERS TO (SELL, LEASE) THE AGRICULTURAL LAND DESCRIBED ABOVE FOR A CASH PRICE OF \$(. cash price or equivalent cash price for lease and lease period, or cash price or equivalent cash price for sale of land), WHICH IS NOT HIGHER THAN THE PRICE OFFERED BY ANOTHER PARTY. THE PRICE IS OFFERED ON THE FOLLOWING TERMS:

(Terms, if any, of acceptable offer)

IF YOU WANT TO ACCEPT THIS OFFER YOU MUST NOTIFY (. the state, federal agency, or corporation) IN WRITING THAT YOU ACCEPT THE OFFER OR SIGN UNDERNEATH THE FOLLOWING PARAGRAPH AND RETURN A COPY OF THIS NOTICE BY (15 for a lease, 65 for a sale) DAYS AFTER THIS NOTICE IS PERSONALLY DELIVERED OR MAILED TO YOU. THE OFFER IN THIS NOTICE TERMINATES ON (. date of termination - 15 days for lease and 65 days for sale after date of mailing or personal delivery).

ACCEPTANCE OF OFFER

I ACCEPT THE OFFER TO (BUY, LEASE) THE AGRICULTURAL LAND DESCRIBED ABOVE AT THE PRICE OFFERED TO ME IN THIS NOTICE. AS PART OF ACCEPTING THIS OFFER I WILL PERFORM ACCORDING TO THE TERMS OF THE OFFER, INCLUDING MAKING PAYMENTS DUE UNDER THE OFFER, WITHIN TEN DAYS AFTER THE DATE I ACCEPT THIS OFFER. *I UNDERSTAND THAT NEGOTIATING OR AGREEING TO AN ARRANGEMENT TO SELL THE AGRICULTURAL LAND TO ANOTHER PERSON PRIOR TO ACCEPTING THIS OFFER IS A VIOLATION OF LAW AND I MAY BE LIABLE TO A PERSON DAMAGED BY THE SALE.*

.....
Signature of Former Owner Accepting Offer
.....

Date”

(b) For an offer to sell, a copy of the purchase agreement containing the price and terms of the highest offer made by a third party that is acceptable to the seller and a signed affidavit by the seller affirming that the purchase agreement is true, accurate, and made in good faith must be included with the notice under this subdivision. At the seller's discretion, reference to the third party's identity may be deleted from the copy of the purchase agreement.

(c) For an offer to lease, a copy of the lease containing the price and terms of the highest offer made by a third party that is acceptable to the lessor and a signed affidavit by the lessor affirming that the lease is true, accurate, and made in good faith must be included with the notice under this subdivision. At the lessor's discretion, reference to the third party's identity may be deleted from the copy of the lease agreement.

(d) The affidavit under paragraphs (b) and (c) is subject to section 609.48.

Sec. 3. Minnesota Statutes 1987 Supplement, section 583.24, subdivision 4, is amended to read:

Subd. 4. [DEBTS.] (a) The farmer-lender mediation act does not apply to a debt:

(1) for which a proof of claim form has been filed in bankruptcy by a creditor or that was listed as a scheduled debt, of a debtor who has filed a petition in bankruptcy after the effective date of Laws 1987, chapter 292 July 1, 1987, under United States Code, title 11, chapter 7, 11, 12, or 13;

(2) if the debt was in default when the creditor received a mediation proceeding notice under the farmer-lender mediation act and the creditor filed a claim form, the debt was mediated during the mediation period under section 583.26, subdivision 8, and (i) the mediation was unresolved; or (ii) a mediation agreement with respect to that debt was signed;

(3) for which the creditor has served a mediation notice, the debtor has failed to make a timely request for mediation, and within 30 days after the debtor failed to make a timely request the creditor began a proceeding to enforce the debt against the agricultural property of the debtor;

(4) for which a creditor has received a mediation proceeding notice and the creditor and debtor have restructured the debt and have signed a separate mediation agreement with respect to that debt; or

(5) for which there is a lien for rental value of farm machinery under section 514.661 or a lien for rental value relating to a contract for deed subject to the farmer-lender mediation act under section 559.2091.

(b) For purposes of paragraph (a), clause (3), providing a copy of a forbearance policy is considered beginning a proceeding to enforce a debt if the board of an institution has adopted a forbearance policy that provides for deferring or rescheduling payments of principal or interest, renewal or extension of loan terms, reduction in the amount or rate of principal or interest due on a loan, or other similar actions, and requires that the debtor must receive a copy of the policy at least 20 days prior to loan acceleration or debt collection proceedings.”

Page 1, line 23, delete "This act is" and insert "Sections 1 to 3 are effective May 1, 1988. Sections 4 and 5 are"

Renumber the sections in sequence

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 36 and nays 22, as follows:

Those who voted in the affirmative were:

Anderson	Chmielewski	Jude	Mehrkens	Renneke
Belanger	Decker	Knutson	Merriam	Schmitz
Benson	Frederick	Laidig	Metzen	Storm
Berg	Frederickson, D.R.	Langseth	Moe, R.D.	Waldorf
Bernhagen	Freeman	Lantry	Olson	
Bertram	Gustafson	Larson	Pehler	
Brandl	Hughes	Lessard	Purfeerst	
Brataas	Johnson, D.E.	McQuaid	Ramstad	

Those who voted in the negative were:

Beckman	DeCramer	Johnson, D.I.	Peterson, D.C.	Stumpf
Berglin	Dicklich	Kroening	Piper	Vickerman
Cohen	Diessner	Luther	Pogemiller	
Dahl	Frank	Marty	Reichgott	
Davis	Frederickson, D.J.	Morse	Samuelson	

The motion prevailed. So the amendment was adopted.

Mr. DeCramer moved to amend H.F. No. 1939, as amended pursuant to Rule 49, adopted by the Senate March 23, 1988, as follows:

(The text of the amended House File is identical to S.F. No. 1743.)

Page 1, after line 19, insert:

"Sec. 2. [223A.02] [DEFINITIONS.]

Subdivision 1. [BUYER.] "Buyer" means a person purchasing farm products.

Subd. 2. [COMMISSION MERCHANT.] "Commission merchant" has the meaning given in United States Code, title 7, section 1631(c)(3).

Subd. 3. [FARM PRODUCTS.] "Farm products" has the meaning given in United States Code, title 7, section 1631(c)(5).

Subd. 4. [FARM PRODUCTS STATUTORY LIEN.] "Farm products statutory lien" means a consensual or nonconsensual lien on farm products but does not include a security interest created in a security agreement that is subject to article 9 of the Uniform Commercial Code, sections 336.9-101 to 336.9-508.

Subd. 5. [LIENHOLDER.] "Lienholder" means a person entitled to a farm products statutory lien.

Subd. 6. [PERFECTED.] "Perfected" means that the conditions have been satisfied to enforce the farm products statutory lien against third parties as provided by the law creating or authorizing the farm products statutory lien.

Subd. 7. [PERSON.] "Person" has the meaning given in United States Code, title 7, section 1631(c)(10), and also includes the federal government and its agencies, the state, political subdivisions, and other governmental

entities.

Subd. 8. [RECEIVE.] "Receive" means actual delivery with signed receipt or mailing with signed receipt of the addressee.

Subd. 9. [SELLING AGENT.] "Selling agent" has the meaning given in United States Code, title 7, section 1631(c)(8).

Sec. 3. [223A.03] [BUYERS TAKING FREE OF AND SUBJECT TO FARM PRODUCTS STATUTORY LIEN.]

Subdivision 1. [TAKING FREE OF LIEN.] Except as provided in subdivision 2, and notwithstanding any other law, a buyer who buys farm products from a seller engaged in farming operations shall take free of a farm products statutory lien even though the farm products statutory lien is perfected and the buyer knows the lien exists.

Subd. 2. [TAKING SUBJECT TO LIEN.] A buyer of farm products takes subject to a farm products statutory lien if:

(1) the lienholder has perfected the farm products statutory lien;

(2) within one year before the sale of the farm products, the buyer has received a lien notice as provided in section 5 from the lienholder or from the seller; and

(3) the buyer has failed to perform the payment obligations as provided in the notice under section 5.

Sec. 4. [223A.04] [COMMISSION MERCHANTS AND SELLING AGENTS SUBJECT TO FARM PRODUCTS STATUTORY LIEN.]

Subdivision 1. [SELLING NOT SUBJECT TO LIEN.] Except as provided in subdivision 2, and notwithstanding any other law, a commission merchant or selling agent who sells a farm product for others is not subject to a farm products statutory lien even though the farm product statutory lien is perfected and the commission merchant or selling agent knows the lien exists.

Subd. 2. [SELLING SUBJECT TO LIEN.] A commission merchant or selling agent selling farm products for another person is subject to a farm products statutory lien in the farm products if:

(1) the lienholder has perfected the farm products statutory lien;

(2) the commission merchant or selling agent has received a lien notice as provided in section 5 from the lienholder or seller; and

(3) the commission merchant or selling agent has failed to perform the payment obligations.

Sec. 5. [223A.05] [LIEN NOTICE.]

Subdivision 1. [CONTENTS.] A lien notice must be an original or reproduced copy of a written notice of the farm products statutory lien organized according to farm products containing:

(1) the name, signature, and address of the lienholder;

(2) the name and address of the debtor;

(3) the social security number of the debtor, if available; or in the case of a debtor doing business other than as an individual, the Internal Revenue Service taxpayer identification number of the debtor, if available;

(4) a description of the farm products subject to the farm products statutory lien, including the amount of the products and, if applicable, the crop year, county where the products are located or growing, and a reasonable description of the real property where the farm products are located or are growing; and

(5) any payment obligations imposed on the buyer, commission merchant, or selling agent as a condition for waiver or release of the security interest.

Subd. 2. [AMENDMENTS.] A lien notice must be amended in writing to reflect material changes and signed and transmitted in the same manner as the lien notice within three months after the material changes occur.

Subd. 3. [EFFECTIVE PERIOD.] (a) A lien notice is effective for a five-year period after the date the lien notice is received by the buyer, commission merchant, or selling agent and may be extended for five years if the buyer, commission merchant, or selling agent is notified within six months of the expiration of the initial five-year period.

(b) A lien notice lapses on the expiration period of the lien notice or the transmission of a notice signed by the lienholder that the lien notice has lapsed, whichever occurs first.

Sec. 6. [223A.06] [PROCEEDS FROM FARM PRODUCTS SUBJECT TO LIEN.]

A lienholder has a claim to the proceeds received from the sale, exchange, or other disposition of farm products subject to a farm products statutory lien, unless otherwise specifically provided by law.

Sec. 7. [223A.07] [FORMS.]

The secretary of state may adopt forms by rule to facilitate the procedures under sections 2 to 5. The forms must be provided to county recorders and made available to the public."

Page 1, line 23, delete "This act" and insert "Section 1" and after the period, insert "Sections 2 to 7 are effective July 1, 1988."

Renumber the sections in sequence

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Stumpf moved to amend the Berg amendment to H.F. No. 1939, adopted by the Senate April 5, 1988, as follows:

Page 1, after line 23, insert:

"(b) An immediately preceding former owner may elect to purchase or lease the entire property or an agreed to portion of the property. If the immediately preceding former owner elects to purchase or lease a portion of the property, the election must be reported in writing to the seller or lessor prior to the time the property is first offered for sale or lease. If election is made to purchase or lease a portion of the property, the portion must be contiguous and compact so that it does not unreasonably reduce access to or the value of the remaining property."

Page 1, line 24, strike "(b)" and insert "(c)"

Page 2, line 9, strike "(c)" and insert "(d)"

Page 2, line 15, strike "and"

Page 2, line 17, before the period, insert “; and

(3) if the immediately preceding former owner elects to lease or purchase a portion of the property, this subdivision does not apply to the seller with regard to the balance of the property after the election is made under paragraph (b)”

Page 2, line 18, strike “(d)” and insert “(e)”

Page 2, line 22, strike “(e)” and insert “(f)”

Page 2, line 25, strike “(f)” and insert “(g)”

Page 2, line 28, strike “(g)” and insert “(h)”

Page 2, line 29, after “lease” insert “all or a portion of the”

Page 2, line 32, after the period, insert “If election is made to lease only the homestead or a portion of the agricultural land, the portion to be leased must be clearly identified in writing.”

Page 2, line 33, after “land” insert “, a portion of the agricultural land,” and after “or” insert “a”

Page 3, line 12, strike “(h)” and insert “(i)”

Page 3, line 18, strike “(i)” and insert “(j)”

Page 4, line 5, strike “(j)” and insert “(k)”

Page 4, line 27, delete “(j)” and insert “(k)”

Amend the title accordingly

The motion prevailed. So the amendment to the amendment was adopted.

H.F. No. 1939 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 54 and nays 4, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Johnson, D.E.	McQuaid	Ramstad
Anderson	Dahl	Johnson, D.J.	Mehrkens	Reichgott
Beckman	Decker	Jude	Merriam	Renneke
Belanger	Dicklich	Knutson	Metzen	Samuelson
Benson	Diessner	Kroening	Moe, R.D.	Schmitz
Berg	Frank	Laidig	Olson	Spear
Bernhagen	Frederick	Langseth	Pehler	Storm
Bertram	Frederickson, D.R.	Lantry	Peterson, D.C.	Stumpf
Brandl	Freeman	Larson	Piper	Vickerman
Brataas	Gustafson	Luther	Pogemiller	Waldorf
Chmielewski	Hughes	Marty	Purfeerst	

Messrs. Davis; DeCramer; Frederickson, D.J. and Morse voted in the negative.

So the bill, as amended, passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 2142: A bill for an act relating to workers' compensation; reassigning certain administrative duties; regulating reporting of injuries and information about injuries; regulating the payment of benefits; regulating the membership of the rehabilitation review panel; regulating rehabilitation

services; changing certain administrative procedures; regulating dependent benefits; prohibiting excessive treatment or medical services; providing for data privacy; amending Minnesota Statutes 1986, sections 129A.05, subdivision 2; 175.171; 176.021, subdivision 3; 176.081, subdivision 1; 176.101, subdivision 3e; 176.104, subdivision 1; 176.111, subdivisions 7 and 8; 176.135, by adding a subdivision; 176.136, subdivision 5; 176.191, subdivision 3; 176.221, subdivision 9; 176.225, subdivision 5; 176.231, subdivisions 8 and 9; 176.451, subdivision 4; Minnesota Statutes 1987 Supplement, sections 176.102, subdivisions 3 and 4; 176.103, subdivision 3; 176.106, subdivisions 7 and 9; 176.131, subdivision 1; 176.135, subdivisions 1 and 6; 176.155, subdivision 1; 176.238, subdivisions 1 and 9; 176.305, subdivisions 1 and 4; 176.521, subdivision 1; repealing Minnesota Statutes 1986, sections 176.021, subdivision 3a; 176.111, subdivision 8a; and 176.136, subdivision 3.

Mr. Beckman moved to amend S.F. No. 2142 as follows:

Page 8, after line 20, insert:

"Sec. 7. Minnesota Statutes 1987 Supplement, section 176.102, subdivision 3a, is amended to read:

Subd. 3a. [DISCIPLINARY ACTIONS.] The panel has authority to discipline qualified rehabilitation consultants and vendors and may impose a penalty of up to \$1,000 per violation, and may suspend or revoke certification. Complaints against registered qualified rehabilitation consultants and vendors shall be made to the commissioner who shall investigate all complaints. If the investigation indicates a violation of this chapter or rules adopted under this chapter, the commissioner may initiate a contested case proceeding under the provisions of chapter 14. In these cases, the rehabilitation review panel shall make the final decision following receipt of the report of an administrative law judge. The decision of the panel is appealable to the workers' compensation court of appeals in the manner provided by section 176.421. The panel shall continuously study rehabilitation services and delivery, develop and recommend rehabilitation rules to the commissioner, and assist the commissioner in accomplishing public education.

The commissioner may appoint alternates for one-year terms to serve as a member when a member is unavailable. The number of alternates shall not exceed one labor member, one employer or insurer member, and one member representing medicine, ~~chiropractic~~, or rehabilitation vendors, and qualified rehabilitation consultants."

Page 17, line 18, delete "upon the recommendation of" and insert "after consultation with"

Renumber the sections in sequence

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Diessner moved to amend S.F. No. 2142 as follows:

Page 15, line 14, after the period, insert "Exposure to rabies is an injury and an employer shall furnish preventive treatment to employees exposed to rabies."

The motion prevailed. So the amendment was adopted.

Mr. Bertram moved to amend S.F. No. 2142 as follows:

Page 24, after line 23, insert:

"Sec. 31. Minnesota Statutes 1987 Supplement, section 176B.01, subdivision 2, is amended to read:

Subd. 2. [PEACE OFFICER.] "Peace officer" means:

(a) a police officer employed by the state of Minnesota or any governmental subdivision within the state to enforce the criminal laws;

(b) a Minnesota state patrol officer;

(c) a sheriff or full-time deputy sheriff with power of arrest by warrant;

(d) a state conservation officer as defined in section 84.028, subdivision 3;

(e) a person employed by the bureau of criminal apprehension as a police officer with power of arrest by warrant;

(f) a correction officer employed at any correctional institution and charged with maintaining the safety, security, discipline and custody of inmates at such institutions;

(g) a firefighter employed on a full-time basis by a fire department of any governmental subdivision of the state who is engaged in the hazards of firefighting or a regularly enrolled member of a volunteer fire department or member of an independent nonprofit firefighting corporation who is engaged in the hazards of fire fighting;

(h) a good samaritan who complies with the request or direction of a peace officer to assist the officer;

(i) a reserve police officer or a reserve deputy sheriff acting under the supervision and authority of a political subdivision; and

(j) a driver or attendant with a licensed basic or advanced life support transportation service, or current member of a bona fide rescue squad, who is engaged in providing emergency care."

Page 24, after line 27, insert:

"Sec. 33. [EFFECTIVE DATE.]

Section 31 is effective retroactively to October 1, 1987."

Renumber the sections in sequence

Amend the title accordingly

Mr. Wegscheid moved to amend the Bertram amendment to S.F. No. 2142 as follows:

Page 1, line 31, after "current" insert "certified"

The motion prevailed. So the amendment to the amendment was adopted.

Mr. Frederickson, D.R. moved to amend the Bertram amendment to S.F. No. 2142 as follows:

Page 1, line 35, delete "retroactively to"

The motion prevailed. So the amendment to the amendment was adopted.

The question recurred on the Bertram amendment, as amended. The

motion prevailed. So the amendment, as amended, was adopted.

S.F. No. 2142 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Mehrkens	Reichgott
Anderson	Decker	Jude	Metzen	Renneke
Beckman	DeCramer	Knaak	Moe, D.M.	Samuelson
Belanger	Dicklich	Knutson	Moe, R.D.	Schmitz
Benson	Diessner	Kroening	Morse	Spear
Berg	Frank	Laidig	Novak	Storm
Berglin	Frederick	Langseth	Olson	Stumpf
Bernhagen	Frederickson, D.J.	Lantry	Pehler	Vickerman
Bertram	Frederickson, D.R.	Larson	Peterson, D.C.	Waldorf
Brandl	Freeman	Lessard	Peterson, R.W.	Wegscheid
Brataas	Gustafson	Luther	Piper	
Chmielewski	Hughes	Marty	Pogemiller	
Cohen	Johnson, D.E.	McQuaid	Ramstad	

So the bill, as amended, passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1804: A bill for an act relating to motor vehicles; providing for registration of motor vehicles by long-term lessees; imposing a fee; amending Minnesota Statutes 1986, sections 168.011, by adding a subdivision; 168.013, subdivision 7; 168.041, subdivision 7; 168.10, subdivision 1; 168.11, subdivision 1; 168.13; 168.33, subdivision 3; and 168A.10, by adding a subdivision; repealing Minnesota Statutes 1986, section 168.30.

Mr. Frederick moved to amend S.F. No. 1804 as follows:

Page 1, after line 22, insert:

“Sec. 2. Minnesota Statutes 1986, section 168.013, subdivision 2, is amended to read:

Subd. 2. [PRORATED FEES.] (a) When a motor vehicle first becomes subject to taxation during the registration period for which the tax is paid, the tax shall be for the remainder of the period prorated on a monthly basis, 1/12 of the annual tax for each calendar month or fraction thereof; provided, however, that for a vehicle having an annual tax of \$10 or less there shall be no reduction until on and after September 1 when the annual tax shall be reduced one-half.

(b) *The commissioner shall refund the portion of the tax paid under this section that represents the period after the registered vehicle is permanently removed from the state. The refund shall be made from the motor vehicle suspense fund when an applicant surrenders the vehicle's license plates as required by section 168.15 and makes application to the commissioner.*”

Page 6, after line 11, insert:

“Sec. 11. [EFFECTIVE DATE.]

Section 2 is effective for registration taxes due and paid beginning with the 1988 registration.”

Renumber the sections in sequence

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 1804 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Hughes	Luther	Piper
Anderson	Davis	Johnson, D.E.	Marty	Pogemiller
Beckman	Decker	Johnson, D.J.	McQuaid	Ramstad
Belanger	DeCramer	Jude	Mehrrens	Reichgott
Benson	Dicklich	Knaak	Merriam	Renneke
Berg	Diessner	Knutson	Metzen	Samuelson
Berglin	Frank	Kroening	Moe, D.M.	Schmitz
Bernhagen	Frederick	Laidig	Morse	Spear
Bertram	Frederickson, D.J.	Langseth	Olson	Storm
Brandl	Frederickson, D.R.	Lantry	Pehler	Vickerman
Brataas	Freeman	Larson	Peterson, D.C.	Waldorf
Chmielewski	Gustafson	Lessard	Peterson, R.W.	Wegscheid

So the bill, as amended, passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 2039: A bill for an act relating to corrections; making various housekeeping and technical changes; amending Minnesota Statutes 1986, sections 260.311, subdivisions 1, 2, 3, and 5; 401.01, subdivision 2; and 401.04.

Mr. Frederickson, D.J. moved to amend H.F. No. 2039, the unofficial engrossment, as follows:

Page 3, line 12, after the period, insert "*For purposes of computing seniority among those employees transferring from one county unit only, a transferred employee retains the same seniority position as the employee had within that county's probation office.*"

The motion prevailed. So the amendment was adopted.

H.F. No. 2039 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.E.	Marty	Pogemiller
Anderson	Decker	Johnson, D.J.	McQuaid	Purfeerst
Beckman	DeCramer	Jude	Merriam	Ramstad
Belanger	Dicklich	Knaak	Metzen	Reichgott
Benson	Diessner	Knutson	Moe, D.M.	Renneke
Berg	Frank	Kroening	Morse	Samuelson
Berglin	Frederick	Laidig	Novak	Schmitz
Bernhagen	Frederickson, D.J.	Langseth	Olson	Spear
Bertram	Frederickson, D.R.	Lantry	Pehler	Storm
Brandl	Freeman	Larson	Peterson, D.C.	Vickerman
Cohen	Gustafson	Lessard	Peterson, R.W.	Waldorf
Dahl	Hughes	Luther	Piper	Wegscheid

So the bill, as amended, passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 1836: A bill for an act relating to crimes; providing for proof of prior convictions at sentencing hearings and in certain criminal prosecutions; amending Minnesota Statutes 1986, section 244.10, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 609.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 58 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	Marty	Purfeerst
Anderson	Davis	Johnson, D.J.	McQuaid	Ramstad
Beckman	Decker	Jude	Mehrkens	Reichgott
Belanger	Dicklich	Knaak	Merriam	Renneke
Benson	Diessner	Knutson	Moe, D.M.	Samuelson
Berg	Frank	Kroening	Morse	Schmitz
Berglin	Frederick	Laidig	Novak	Storm
Bernhagen	Frederickson, D.J.	Langseth	Olson	Vickerman
Bertram	Frederickson, D.R.	Lantry	Peterson, D.C.	Waldorf
Brandl	Freeman	Larson	Peterson, R.W.	Wegscheid
Brataas	Gustafson	Lessard	Piper	
Cohen	Hughes	Luther	Pogemiller	

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 2470: A bill for an act relating to crimes; increasing the penalties for issuing dishonored checks with aggregate value greater than \$200; amending Minnesota Statutes 1986, section 609.535, subdivision 2, and by adding a subdivision.

Mr. Diessner moved to amend H.F. No. 2470 as follows:

Page 1, after line 7, insert:

"Section 1. Minnesota Statutes 1987 Supplement, section 487.25, subdivision 10, is amended to read:

Subd. 10. [PROSECUTING ATTORNEYS.] Except as otherwise provided by law, violations of state law that are petty misdemeanors or misdemeanors must be prosecuted by the attorney of the statutory or home rule charter city where the violation is alleged to have occurred. In cities of the first, second, and third class, gross misdemeanor violations of sections 609.52, 609.535, 609.595, 609.631, and 609.821 must be prosecuted by the attorney of the city where the violation is alleged to have occurred. The statutory or home rule charter city may enter into an agreement with the county board and the county attorney to provide prosecution services for any criminal offense. All other petty misdemeanors, misdemeanors, and gross misdemeanors must be prosecuted by the county attorney of the county in which the alleged violation occurred. All violations of a municipal ordinance, charter provision, rule, or regulation must be prosecuted by the attorney for the governmental unit that promulgated the municipal ordinance, charter provision, rule, or regulation or by the county attorney with whom it has contracted to prosecute these matters.

In the counties of Anoka, Carver, Dakota, Scott, and Washington, violations of state law that are petty misdemeanors, misdemeanors, or gross misdemeanors except as provided in section 388.051, subdivision 2, must be prosecuted by the attorney of the statutory or home rule charter city where the violation is alleged to have occurred. The statutory or home rule charter city may enter into an agreement with the county board and the county attorney to provide prosecution services for any criminal offense. All other petty misdemeanors, misdemeanors, or gross misdemeanors must be prosecuted by the county attorney of the county in which the alleged violation occurred. All violations of a municipal ordinance, charter provision, rule, or regulation must be prosecuted by the attorney for the governmental unit that promulgated the municipal ordinance, charter provision, rule, or regulation or by the county attorney with whom it has contracted to prosecute these matters."

Page 1, line 13, delete "2" and insert "3"

Page 2, line 10, delete "and 2" and insert "to 3"

Renumber the sections in sequence

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 2470 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 54 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Chmielewski	Gustafson	McQuaid	Piper
Anderson	Cohen	Hughes	Mehrkens	Pogemiller
Beckman	Davis	Johnson, D.E.	Merriam	Ramstad
Belanger	Decker	Jude	Metzen	Renneke
Benson	DeCramer	Knaak	Moe, D.M.	Samuelson
Berg	Dicklich	Knutson	Morse	Schmitz
Berglin	Diessner	Laidig	Novak	Storm
Bernhagen	Frederick	Lantry	Olson	Stumpf
Bertram	Frederickson, D.I.	Larson	Pehler	Vickerman
Brandl	Frederickson, D.R.	Lessard	Peterson, D.C.	Waldorf
Brataas	Freeman	Luther	Peterson, R.W.	

So the bill, as amended, passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 10: A bill for an act relating to crimes; raising the minimum term of imprisonment from 17 to 20 years for persons convicted of first degree murder; clarifying that the crying of a child does not constitute provocation under first degree manslaughter; amending Minnesota Statutes 1986, section 244.05, subdivision 4; and Minnesota Statutes 1987 Supplement, section 609.20.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 58 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Johnson, D.E.	Mehrkens	Ramstad
Anderson	Dahl	Johnson, D.J.	Merriam	Reichgott
Beckman	Davis	Jude	Metzen	Renneke
Belanger	Decker	Knaak	Moe, D.M.	Samuelson
Benson	DeCramer	Knutson	Morse	Schmitz
Berg	Dicklich	Kroening	Novak	Spear
Berglin	Diessner	Lantry	Olson	Storm
Bernhagen	Frederick	Larson	Pehler	Stumpf
Bertram	Frederickson, D.J.	Lessard	Peterson, D.C.	Vickerman
Brandl	Frederickson, D.R.	Luther	Peterson, R.W.	Waldorf
Brataas	Gustafson	Marty	Piper	
Chmielewski	Hughes	McQuaid	Pogemiller	

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 2246: A bill for an act relating to economic development; extending various development programs to nonprofit organizations.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 58 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Johnson, D.E.	Merriam	Ramstad
Anderson	Dahl	Johnson, D.J.	Metzen	Reichgott
Beckman	Davis	Jude	Moe, D.M.	Renneke
Belanger	Decker	Kroening	Moe, R.D.	Samuelson
Benson	DeCramer	Laidig	Morse	Schmitz
Berg	Dicklich	Langseth	Novak	Spear
Berglin	Diessner	Lantry	Olson	Storm
Bernhagen	Frank	Lessard	Peterson, D.C.	Stumpf
Bertram	Frederick	Luther	Peterson, R.W.	Vickerman
Brandl	Frederickson, D.J.	Marty	Piper	Waldorf
Brataas	Frederickson, D.R.	McQuaid	Pogemiller	
Chmielewski	Freeman	Mehrkens	Purfeerst	

Messrs. Knaak and Larson voted in the negative.

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 2568: A bill for an act relating to agriculture; providing for terms and compensation for members of the Minnesota agricultural and economic development board; changing and clarifying the small business development loan portion of the agricultural resource loan guarantee program; establishing requirements for revenues that can be used in a local revolving fund; amending Minnesota Statutes 1987 Supplement, sections 41A.02, subdivisions 3 and 16; 41A.036, by adding subdivisions; and 116N.08, subdivision 8.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Merriam	Ramstad
Anderson	Decker	Knaak	Metzen	Reichgott
Beckman	DeCramer	Knutson	Moe, D.M.	Renneke
Belanger	Dicklich	Kroening	Moe, R.D.	Samuelson
Benson	Diessner	Laidig	Morse	Schmitz
Berg	Frank	Langseth	Novak	Spear
Berglin	Frederick	Lantry	Olson	Storm
Bernhagen	Frederickson, D.J.	Larson	Pehler	Stumpf
Bertram	Frederickson, D.R.	Lessard	Peterson, D.C.	Vickerman
Brandl	Freeman	Luther	Peterson, R.W.	Waldorf
Brataas	Gustafson	Marty	Piper	
Chmielewski	Johnson, D.E.	McQuaid	Pogemiller	
Dahl	Johnson, D.J.	Mehrkens	Purfurst	

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 1754: A bill for an act relating to crime victims; authorizing the crime victims reparations board to pay the costs of returning an abducted child home; authorizing the board to determine and award reparations and damage claims from proceeds of a commercial exploitation of a crime; permitting an offender's minor dependents to receive some proceeds of a commercial exploitation of a crime; clarifying certain duties of the crime victim ombudsman; prescribing penalties; amending Minnesota Statutes 1986, sections 611A.56; 611A.67; 611A.68, subdivisions 1, 4, 6, 8, and by adding subdivisions; and 611A.74, subdivision 3; and Minnesota Statutes 1987 Supplement, section 611A.52, subdivision 8; repealing Minnesota Statutes 1986, section 611A.68, subdivisions 2 and 5.

Ms. Berglin moved to amend H.F. No. 1754, the unofficial engrossment, as follows:

Page 2, after line 6, insert:

"Sec. 3. Minnesota Statutes 1986, section 518B.01, is amended by adding a subdivision to read:

Subd. 19. [RECORDING REQUIRED.] Proceedings under this section must be recorded."

Renumber the sections in sequence

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 1754 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.J.	Metzen	Reichgott
Anderson	Davis	Jude	Moe, D.M.	Renneke
Beckman	Decker	Knaak	Moe, R.D.	Samuelson
Belanger	DeCramer	Knutson	Morse	Spear
Benson	Dicklich	Laidig	Novak	Storm
Berg	Frank	Langseth	Olson	Stumpf
Berglin	Frederick	Lantry	Pehler	Taylor
Bernhagen	Frederickson, D.J.	Larson	Peterson, D.C.	Vickerman
Bertram	Frederickson, D.R.	Lessard	Peterson, R.W.	Waldorf
Brandl	Freeman	Luther	Piper	Wegscheid
Brataas	Gustafson	Marty	Pogemiller	
Chmielewski	Hughes	Mehrkens	Purfeerst	
Cohen	Johnson, D.E.	Merriam	Ramstad	

So the bill, as amended, passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 2098: A bill for an act relating to game and fish; eliminating crows as an unprotected bird; authorizing a season on crows; prescribing when crows and certain other birds causing damage may be taken; removing statutory restrictions on the open season on private shooting preserves; requiring at least 500 pheasants to be released on certain shooting preserves and that harvested pheasants may not exceed 95 percent of the pheasants released; authorizing persons to hunt on a shooting preserve without a pheasant stamp; authorizing the taking of mourning doves during an experimental season west of U.S. highway No. 71; amending Minnesota Statutes 1986, sections 97A.015, subdivision 52; 97A.121, subdivision 2, and by adding a subdivision; 97B.715, subdivision 1; and 97B.731, subdivision 2, and by adding subdivisions.

Mr. Spear moved to amend S.F. No. 2098 as follows:

Page 2, delete sections 5 and 6

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Lessard moved to amend S.F. No. 2098 as follows:

Page 3, after line 14, insert:

“Sec. 9. [97C.403] [RAINY RIVER WALLEYE RESTRICTIONS.]

Subdivision 1. [LIMIT.] (a) The possession limit for walleyes taken from the Rainy River is six per day.

(b) Only one walleye over 19-1/2 inches in length may be included in the limit taken from the Rainy River each day.

Subd. 2. [OPEN SEASON.] The open season for walleye in the Rainy River is from the third Saturday in May until April 14.

Sec. 10. [1988-1989 SPRING WALLEYE SEASON.]

From the effective date of this section until April 14, 1988, and from March 1 until April 14, 1989, a person may take walleyes from the Rainy River but the walleyes possessed for a limit may not exceed 19-1/2 inches in length.”

Page 3, line 16, after “8” insert “to 10”

Renumber the sections in sequence

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 2098 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 60 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	McQuaid	Pogemiller
Anderson	Davis	Johnson, D.J.	Mehrkens	Ramstad
Beckman	Decker	Jude	Merriam	Reichgott
Benson	DeCramer	Knaak	Metzen	Renneke
Berg	Diessner	Kroening	Moe, D.M.	Samuelson
Berglin	Frank	Laidig	Moe, R.D.	Schmitz
Bernhagen	Frederick	Langseth	Morse	Spear
Bertram	Frederickson, D.J.	Lantry	Novak	Storm
Brandl	Frederickson, D.R.	Larson	Olson	Stumpf
Brataas	Freeman	Lessard	Pehler	Taylor
Chmielewski	Gustafson	Luther	Peterson, R.W.	Vickerman
Cohen	Hughes	Marty	Piper	Wegscheid

Messrs. Belanger and Purfeerst voted in the negative.

So the bill, as amended, passed and its title was agreed to.

NOTICE OF RECONSIDERATION

Mr. Knaak gave notice of his intention to move for reconsideration of H.F. No. 2470.

SPECIAL ORDER

S.F. No. 1756: A bill for an act relating to taxation; repealing the law providing for a contingent tax increase upon forecast of a revenue shortfall; repealing Laws 1987, chapter 268, article 18, section 5.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Knaak	Moe, R.D.	Samuelson
Anderson	Davis	Knutson	Morse	Schmitz
Beckman	Decker	Laidig	Novak	Spear
Belanger	DeCramer	Langseth	Olson	Storm
Benson	Diessner	Lantry	Pehler	Stumpf
Berg	Frank	Larson	Peterson, D.C.	Taylor
Berglin	Frederick	Lessard	Peterson, R.W.	Vickerman
Bernhagen	Frederickson, D.J.	Luther	Piper	Waldorf
Bertram	Freeman	McQuaid	Pogemiller	Wegscheid
Brandl	Hughes	Mehrkens	Purfeerst	
Brataas	Johnson, D.E.	Merriam	Ramstad	
Chmielewski	Johnson, D.J.	Metzen	Reichgott	
Cohen	Jude	Moe, D.M.	Renneke	

Mr. Kroening voted in the negative.

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 1459: A bill for an act relating to the town of Irondale; removing a town levy limitation; repealing Laws 1971, chapter 336.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Jude	Merriam	Renneke
Anderson	Davis	Knaak	Moe, D.M.	Samuelson
Beckman	Decker	Knutson	Moe, R. D.	Schmitz
Belanger	DeCramer	Kroening	Morse	Spear
Benson	Diessner	Laidig	Novak	Storm
Berg	Frank	Langseth	Olson	Stumpf
Berglin	Frederick	Lantry	Pehler	Taylor
Bernhagen	Frederickson, D.J.	Larson	Peterson, D.C.	Vickerman
Bertram	Frederickson, D.R.	Lessard	Peterson, R.W.	Waldorf
Brandl	Freeman	Luther	Piper	Wegscheid
Brataas	Hughes	Marty	Pogemiller	
Chmielewski	Johnson, D.E.	McQuaid	Purfeerst	
Cohen	Johnson, D.J.	Mehrkens	Ramstad	

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1154: A bill for an act relating to motor vehicles; taxation; imposing a \$90 sales tax on certain collector motor vehicles; amending Minnesota Statutes 1986, sections 297B.02, subdivision 2, and by adding a subdivision; and 297B.025.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Metzen	Renneke
Anderson	Decker	Knutson	Moe, R. D.	Samuelson
Beckman	DeCramer	Kroening	Morse	Schmitz
Belanger	Diessner	Laidig	Novak	Spear
Benson	Frank	Langseth	Olson	Storm
Berglin	Frederick	Lantry	Pehler	Stumpf
Bernhagen	Frederickson, D.J.	Larson	Peterson, D.C.	Taylor
Bertram	Frederickson, D.R.	Lessard	Peterson, R.W.	Vickerman
Brandl	Freeman	Luther	Piper	Waldorf
Brataas	Gustafson	Marty	Pogemiller	Wegscheid
Chmielewski	Hughes	McQuaid	Purfeerst	
Cohen	Johnson, D.J.	Mehrkens	Ramstad	
Dahl	Jude	Merriam	Reichgott	

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 1864: A bill for an act relating to the city of Jordan; enabling the city to issue tax anticipation certificates.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 58 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Decker	Knaak	Metzen	Reichgott
Anderson	DeCramer	Knutson	Moe, R.D.	Renneke
Beckman	Diessner	Kroening	Morse	Schmitz
Benson	Frank	Laidig	Novak	Spear
Berglin	Frederick	Langseth	Olson	Storm
Bernhagen	Frederickson, D.J.	Lantry	Pehler	Stumpf
Bertram	Frederickson, D.R.	Larson	Peterson, D.C.	Taylor
Brandl	Freeman	Lessard	Peterson, R.W.	Vickerman
Brataas	Gustafson	Luther	Piper	Waldorf
Chmielewski	Hughes	Marty	Pogemiller	Wegscheid
Dahl	Johnson, D.J.	McQuaid	Purfeerst	
Davis	Jude	Mehrkens	Ramstad	

Mr. Merriam voted in the negative.

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F No. 2481: A bill for an act relating to local government; the city of Cook, the city of Orr, and Koochiching and St. Louis counties; providing for the establishment of a hospital district in portions of those counties.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 57 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Kroening	Moe, R.D.	Renneke
Anderson	Diessner	Laidig	Morse	Schmitz
Beckman	Frank	Langseth	Novak	Spear
Benson	Frederick	Lantry	Olson	Storm
Berglin	Frederickson, D.J.	Larson	Pehler	Stumpf
Bernhagen	Frederickson, D.R.	Lessard	Peterson, D.C.	Taylor
Bertram	Freeman	Luther	Peterson, R.W.	Vickerman
Brandl	Hughes	Marty	Piper	Waldorf
Brataas	Johnson, D.J.	McQuaid	Pogemiller	Wegscheid
Chmielewski	Jude	Mehrkens	Purfeerst	
Davis	Knaak	Merriam	Ramstad	
Decker	Knutson	Metzen	Reichgott	

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F No. 289: A bill for an act relating to the city of St. Paul; setting the maximum amounts and other conditions for the issuance of capital improvement bonds; amending Laws 1971, chapter 773, section 1, subdivision 2, as amended; and section 2, as amended; repealing Laws 1963, chapter 881, as amended.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	McQuaid	Purfeerst
Anderson	Decker	Jude	Mehrkens	Ramstad
Beckman	DeCramer	Knaak	Merriam	Reichgott
Benson	Diessner	Knutson	Metzen	Renneke
Berg	Frank	Kroening	Moe, R.D.	Schmitz
Berglin	Frederick	Laidig	Morse	Spear
Bernhagen	Frederickson, D.J.	Langseth	Novak	Storm
Bertram	Frederickson, D.R.	Lantry	Olson	Stumpf
Brandl	Freeman	Larson	Pehler	Taylor
Brataas	Gustafson	Lessard	Peterson, D.C.	Vickerman
Chmielewski	Hughes	Luther	Piper	Waldorf
Cohen	Johnson, D.E.	Marty	Pogemiller	Wegscheid

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1590: A bill for an act relating to transportation; providing that uniform relocation assistance standards comply with recent amendments to federal law; authorizing commissioner of transportation to accept gifts to department; appropriating gift funds to commissioner; exempting lessees of highway easement property from tax on its use and possession; providing that governmental body may file deed conveying partial parcel of land without current taxes having been paid on whole parcel; repealing conflicting provision related to charges for users of air transportation services provided by the commissioner of transportation; amending Minnesota Statutes 1986, section 161.20, by adding a subdivision; Minnesota Statutes 1987 Supplement, sections 117.52, subdivision 1; 272.01, subdivision 3; and 272.121; repealing Minnesota Statutes 1986, section 360.015, subdivision 20.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 58 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Decker	Jude	Mehrkens	Ramstad
Anderson	DeCramer	Knaak	Merriam	Reichgott
Beckman	Diessner	Knutson	Metzen	Renneke
Belanger	Frank	Kroening	Moe, R.D.	Schmitz
Benson	Frederick	Laidig	Morse	Spear
Berglin	Frederickson, D.J.	Langseth	Olson	Storm
Bernhagen	Frederickson, D.R.	Lantry	Pehler	Stumpf
Bertram	Freeman	Larson	Peterson, D.C.	Taylor
Brandl	Gustafson	Lessard	Peterson, R.W.	Vickerman
Chmielewski	Hughes	Luther	Piper	Waldorf
Cohen	Johnson, D.E.	Marty	Pogemiller	
Davis	Johnson, D.J.	McQuaid	Purfeerst	

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1974: A bill for an act relating to the Ramsey-Washington metro watershed district; authorizing a tax for the district's administrative fund.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 55 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.E.	Marty	Purfeerst
Anderson	Decker	Johnson, D.J.	McQuaid	Ramstad
Beckman	DeCramer	Jude	Mehrkens	Reichgott
Benson	Diessner	Knutson	Merriam	Renneke
Berg	Frank	Kroening	Metzen	Schmitz
Berglin	Frederick	Laidig	Morse	Spear
Bernhagen	Frederickson, D.J.	Langseth	Olson	Storm
Bertram	Frederickson, D.R.	Lantry	Pehler	Stumpf
Brandl	Freeman	Larson	Peterson, D.C.	Taylor
Chmielewski	Gustafson	Lessard	Peterson, R.W.	Vickerman
Cohen	Hughes	Luther	Piper	Waldorf

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1618: A bill for an act relating to armories; increasing the limit on bonded indebtedness; amending Minnesota Statutes 1986, section 193.143.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 53 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Mehrkens	Reichgott
Anderson	Decker	Jude	Merriam	Renneke
Beckman	DeCramer	Knaak	Metzen	Schmitz
Benson	Diessner	Knutson	Morse	Spear
Berglin	Frank	Kroening	Olson	Storm
Bernhagen	Frederick	Laidig	Pehler	Stumpf
Bertram	Frederickson, D.J.	Langseth	Peterson, D.C.	Taylor
Brandl	Frederickson, D.R.	Larson	Peterson, R.W.	Vickerman
Brataas	Freeman	Luther	Piper	Waldorf
Chmielewski	Hughes	Marty	Purfeerst	
Cohen	Johnson, D.E.	McQuaid	Ramstad	

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1218: A bill for an act relating to the office of the secretary of state; providing for the preservation of land surveys; establishing time for the permanent microfilming of the surveys; appropriating money; amending Minnesota Statutes 1986, section 5.03.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 57 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Decker	Knaak	Merriam	Reichgott
Anderson	DeCramer	Knutson	Metzen	Renneke
Beckman	Frank	Kroening	Morse	Schmitz
Benson	Frederick	Laidig	Novak	Spear
Berg	Frederickson, D.J.	Langseth	Olson	Storm
Berglin	Frederickson, D.R.	Lantry	Pehler	Stumpf
Bernhagen	Freeman	Larson	Peterson, D.C.	Taylor
Bertram	Gustafson	Lessard	Peterson, R.W.	Vickerman
Brandl	Hughes	Luther	Piper	Waldorf
Brataas	Johnson, D.E.	Marty	Pogemiller	
Chmielewski	Johnson, D.J.	McQuaid	Purfeerst	
Cohen	Jude	Mehrkens	Ramstad	

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 1851: A bill for an act relating to local government; regulating duties of town officers; setting town powers; amending Minnesota Statutes 1986, sections 18.272; 465.71; and 471.653; and Minnesota Statutes 1987 Supplement, section 115A.921; and repealing Minnesota Statutes 1986, section 365.03.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Johnson, D.E.	Marty	Pogemiller
Anderson	Dahl	Johnson, D.J.	McQuaid	Purfeerst
Beckman	Decker	Jude	Mehrkens	Ramstad
Belanger	DeCramer	Knaak	Merriam	Reichgott
Benson	Diessner	Knutson	Metzen	Renneke
Berg	Frank	Kroening	Morse	Schmitz
Berglin	Frederick	Laidig	Novak	Spear
Bernhagen	Frederickson, D.J.	Langseth	Olson	Storm
Bertram	Frederickson, D.R.	Lantry	Pehler	Stumpf
Brandl	Freeman	Larson	Peterson, D.C.	Taylor
Brataas	Gustafson	Lessard	Peterson, R.W.	Vickerman
Chmielewski	Hughes	Luther	Piper	Waldorf

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 2063: A bill for an act relating to housing; providing a definition; authorizing certain refinancing; providing for reservation of low-income housing credits; amending Minnesota Statutes 1986, sections 462A.03, by adding a subdivision; 462A.05, by adding a subdivision; and 462A.07, subdivisions 14 and 15; Minnesota Statutes 1987 Supplement, section 462A.222, subdivision 2.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Johnson, D.E.	Marty	Pogemiller
Anderson	Dahl	Johnson, D.J.	McQuaid	Purfeerst
Beckman	Decker	Jude	Merriam	Ramstad
Belanger	DeCramer	Knaak	Metzen	Reichgott
Benson	Diessner	Knutson	Moe, R.D.	Renneke
Berg	Frank	Kroening	Morse	Schmitz
Berglin	Frederick	Laidig	Novak	Spear
Bernhagen	Frederickson, D.J.	Langseth	Olson	Storm
Bertram	Frederickson, D.R.	Lantry	Pehler	Stumpf
Brandl	Freeman	Larson	Peterson, D.C.	Taylor
Brataas	Gustafson	Lessard	Peterson, R.W.	Vickerman
Chmielewski	Hughes	Luther	Piper	Waldorf

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1968: A bill for an act relating to economic development; providing for the use of municipal resources for establishment of a local revolving loan fund; amending Minnesota Statutes 1987 Supplement, section 116N.08, subdivision 8.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 57 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.J.	Mehrkens	Renneke
Anderson	Decker	Jude	Metzen	Schmitz
Beckman	DeCramer	Knaak	Moe, R.D.	Solon
Belanger	Diessner	Knutson	Novak	Spear
Benson	Frank	Kroening	Olson	Storm
Berglin	Frederick	Laidig	Pehler	Stumpf
Bernhagen	Frederickson, D.J.	Langseth	Peterson, D.C.	Taylor
Bertram	Frederickson, D.R.	Lantry	Piper	Vickerman
Brandl	Freeman	Larson	Pogemiller	Waldorf
Brataas	Gustafson	Lessard	Purfeerst	
Chmielewski	Hughes	Marty	Ramstad	
Cohen	Johnson, D.E.	McQuaid	Reichgott	

Messrs. Merriam and Peterson, R.W. voted in the negative.

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 1865: A bill for an act relating to the town of White Bear; authorizing the town of White Bear to establish an economic development authority; giving the town of White Bear the powers of a city with respect to the authority.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 55 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.J.	Marty	Purfeerst
Anderson	Decker	Jude	McQuaid	Ramstad
Beckman	DeCramer	Knaak	Mehrkens	Reichgott
Belanger	Diessner	Knutson	Metzen	Renneke
Benson	Frank	Kroening	Moe, R.D.	Schmitz
Bernhagen	Frederick	Laidig	Novak	Solon
Bertram	Frederickson, D.J.	Langseth	Olson	Storm
Brandl	Frederickson, D.R.	Lantry	Pehler	Stumpf
Brataas	Gustafson	Larson	Peterson, D.C.	Taylor
Chmielewski	Hughes	Lessard	Piper	Vickerman
Cohen	Johnson, D.E.	Luther	Pogemiller	Waldorf

Messrs. Merriam and Peterson, R. W. voted in the negative.

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 2306: A bill for an act relating to bonds; authorizing the Minnesota public facilities authority to issue revenue bonds and make loans to or purchase the bonds of municipalities for wastewater treatment and water supply systems; amending Minnesota Statutes 1987 Supplement, sections 446A.04, by adding subdivisions; 446A.05, subdivision 1; and proposing coding for new law in Minnesota Statutes, chapter 446A.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 59 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Johnson, D.E.	McQuaid	Pogemiller
Anderson	Dahl	Johnson, D.J.	Mehrkens	Purfeerst
Beckman	Decker	Jude	Merriam	Ramstad
Belanger	DeCramer	Knaak	Metzen	Reichgott
Benson	Diessner	Knutson	Moe, R.D.	Renneke
Berg	Frank	Kroening	Morse	Schmitz
Berglin	Frederick	Laidig	Novak	Storm
Bernhagen	Frederickson, D.J.	Langseth	Olson	Stumpf
Bertram	Frederickson, D.R.	Lantry	Pehler	Taylor
Brandl	Freeman	Larson	Peterson, D.C.	Vickerman
Brataas	Gustafson	Luther	Peterson, R.W.	Waldorf
Chmielewski	Hughes	Marty	Piper	

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 1224: A bill for an act relating to local government; permitting the establishment of a joint economic development authority in Cook county; authorizing a lodging tax in certain towns.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 56 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Johnson, D.J.	Mehrkens	Renneke
Anderson	Dahl	Jude	Metzen	Schmitz
Beckman	Decker	Knaak	Morse	Solon
Belanger	DeCramer	Knutson	Novak	Storm
Benson	Diessner	Kroening	Olson	Stumpf
Berg	Frank	Laidig	Pehler	Taylor
Berglin	Frederick	Langseth	Peterson, D.C.	Vickerman
Bernhagen	Frederickson, D.J.	Lantry	Piper	Waldorf
Bertram	Frederickson, D.R.	Larson	Pogemiller	
Brandl	Gustafson	Luther	Purfeerst	
Brataas	Hughes	Marty	Ramstad	
Chmielewski	Johnson, D.E.	McQuaid	Reichgott	

Messrs. Merriam and Peterson, R. W. voted in the negative.

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 765: A bill for an act relating to local government; granting the city of Cannon Falls the authority to establish a port authority; authorizing the port authority to exercise the power of a municipal housing and redevelopment authority; authorizing the city to impose restrictions and limitations upon the powers and procedures of the port authority; permitting the city to choose the name of the port authority; providing for removal of port authority commissioners; requiring local approval.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 54 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Johnson, D.E.	Marty	Ramstad
Anderson	Dahl	Jude	McQuaid	Reichgott
Beckman	Decker	Knaak	Mehrkens	Renneke
Belanger	DeCramer	Knutson	Metzen	Schmitz
Benson	Frank	Kroening	Morse	Solon
Berg	Frederick	Laidig	Novak	Storm
Berglin	Frederickson, D.J.	Langseth	Olson	Stumpf
Bernhagen	Frederickson, D.R.	Lantry	Pehler	Taylor
Bertram	Freeman	Larson	Peterson, D.C.	Vickerman
Brandl	Gustafson	Lessard	Pogemiller	Waldorf
Chmielewski	Hughes	Luther	Purfeerst	

Messrs. Merriam and Peterson, R. W. voted in the negative.

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1297: A bill for an act relating to local government; granting the city of Redwood Falls the authority to establish a port authority; authorizing the port authority to exercise the power of a municipal housing and redevelopment authority; authorizing the city to impose restrictions and limitations upon the powers and procedures of the port authority; permitting the city to choose the name of the port authority; providing for removal of port authority commissioners; requiring local approval.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 55 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Johnson, D.E.	Luther	Purfeerst
Anderson	Dahl	Johnson, D.J.	Marty	Ramstad
Beckman	Decker	Jude	Mehrrens	Reichgott
Belanger	DeCramer	Knaak	Metzen	Renneke
Benson	Frank	Knutson	Morse	Schmitz
Berg	Frederick	Kroening	Novak	Solon
Berglin	Frederickson, D.J.	Laidig	Olson	Storm
Bernhagen	Frederickson, D.R.	Langseth	Pehler	Stumpf
Bertram	Freeman	Lantry	Peterson, D.C.	Taylor
Brandl	Gustafson	Larson	Piper	Vickerman
Chmielewski	Hughes	Lessard	Pogemiller	Waldorf

Messrs. Merriam and Peterson, R.W. voted in the negative.

So the bill passed and its title was agreed to.

Ms. Reichgott moved that H.F. No. 2524, No. 86 on Special Orders, be stricken and re-referred to the Committee on Taxes and Tax Laws. The motion prevailed.

SPECIAL ORDER

S.F. No. 1963: A bill for an act relating to public finance; providing requirements for the issuance and use of public debt; amending Minnesota Statutes 1986, sections 123.35, by adding a subdivision; 375.83; 410.32; 475.54, by adding a subdivision; 475.67, subdivision 13; Minnesota Statutes 1987 Supplement, sections 469.012, subdivision 1; 469.015, subdivision 4; 469.071, by adding a subdivision; 469.155, subdivision 12; 475.60, subdivision 2; and 475.66, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 469; repealing Laws 1987, chapter 358, section 31.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 57 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Johnson, D.E.	McQuaid	Renneke
Anderson	Dahl	Johnson, D.J.	Merriam	Samuelson
Beckman	Decker	Jude	Moe, R.D.	Schmitz
Belanger	DeCramer	Knaak	Morse	Spear
Benson	Diessner	Knutson	Novak	Storm
Berg	Frank	Kroening	Olson	Stumpf
Berglin	Frederick	Laidig	Peterson, D.C.	Taylor
Bernhagen	Frederickson, D.J.	Langseth	Piper	Vickerman
Bertram	Frederickson, D.R.	Lantry	Pogemiller	Waldorf
Brandl	Freeman	Lessard	Purfeerst	
Brataas	Gustafson	Luther	Ramstad	
Chmielewski	Hughes	Marty	Reichgott	

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 1302: A bill for an act relating to Itasca county; permitting the county to levy a tax for economic development.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 56 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.J.	McQuaid	Renneke
Anderson	Decker	Jude	Metzen	Samuelson
Beckman	DeCramer	Knaak	Moe, R.D.	Schmitz
Benson	Diessner	Knutson	Morse	Storm
Berg	Frank	Kroening	Novak	Stumpf
Berglin	Frederick	Laidig	Olson	Taylor
Bernhagen	Frederickson, D.J.	Langseth	Peterson, D.C.	Vickerman
Bertram	Frederickson, D.R.	Lantry	Piper	Waldorf
Brandl	Freeman	Larson	Pogemiller	
Brataas	Gustafson	Lessard	Purfeerst	
Chmielewski	Hughes	Luther	Ramstad	
Cohen	Johnson, D.E.	Marty	Reichgott	

Messrs. Merriam and Peterson, R. W. voted in the negative.

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 2596: A bill for an act relating to metropolitan government; creating a legislative task force to monitor performance of metropolitan agencies in complying with certain laws; prescribing the contents of affirmative action plans for metropolitan agencies and a process for approval and reporting of those plans; requiring purchases from businesses owned by socially or economically disadvantaged persons; amending Minnesota Statutes 1986, sections 473.141, subdivision 9; and 473.406, subdivisions 2, 5, 6, and 7; proposing coding for new law in Minnesota Statutes, chapters 3 and 473.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 49 and nays 3, as follows:

Those who voted in the affirmative were:

Adkins	Decker	Jude	Merriam	Purfeerst
Anderson	DeCramer	Knaak	Metzen	Reichgott
Beckman	Diessner	Kroening	Moe, R.D.	Renneke
Benson	Frederick	Lantry	Morse	Schmitz
Berg	Frederickson, D.J.	Larson	Novak	Spear
Berglin	Frederickson, D.R.	Lessard	Olson	Stumpf
Bertram	Gustafson	Luther	Peterson, D.C.	Taylor
Brandl	Hughes	Marty	Peterson, R.W.	Vickerman
Cohen	Johnson, D.E.	McQuaid	Piper	Waldorf
Dahl	Johnson, D.J.	Mehrkens	Pogemiller	

Messrs. Belanger, Knutson and Ramstad voted in the negative.

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 2111: A bill for an act relating to public utilities; pipeline safety; authorizing the office of pipeline safety to inspect and regulate intrastate pipeline facilities carrying liquefied natural gas, liquefied petroleum gas, and hazardous liquids; adopting federal safety regulations; removing the depth limitation for the one call excavation notice system; providing for the calculation of pipeline inspection fees; appropriating money; amending Minnesota Statutes 1986, sections 299F.56, subdivisions 1, 2, 4, 6, and

by adding subdivisions; and 299F.59; Minnesota Statutes 1987 Supplement, sections 116L.015, subdivision 3; 216D.01, subdivision 5; 299F.57, subdivision 1, and by adding a subdivision; 299F.58; 299F.62; 299F.63, subdivision 1; 299F.64; and 299J.12, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 299F; repealing Minnesota Statutes 1987 Supplement, section 299F.63, subdivision 4.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 55 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	McQuaid	Purfeerst
Anderson	Decker	Johnson, D.J.	Mehrkens	Ramstad
Beckman	DeCramer	Jude	Merriam	Reichgott
Belanger	Diessner	Knaak	Metzen	Renneke
Benson	Frank	Knutson	Moe, R.D.	Samuelson
Berg	Frederick	Kroening	Morse	Solon
Berglin	Frederickson, D.J.	Laidig	Novak	Spear
Bertram	Frederickson, D.R.	Lantry	Olson	Stumpf
Brandl	Freeman	Larson	Peterson, D.C.	Taylor
Brataas	Gustafson	Luther	Piper	Vickerman
Cohen	Hughes	Marty	Pogemiller	Waldorf

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1462: A bill for an act relating to housing; creating a low-income housing trust account; providing for the uses of the account; placing certain requirements on real estate trust accounts; appropriating money; amending Minnesota Statutes 1986, sections 82.24, by adding a subdivision; and 82.34, subdivisions 6 and 15; Minnesota Statutes 1987 Supplement, section 82.17, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 462A.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 43 and nays 8, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Hughes	McQuaid	Solon
Anderson	DeCramer	Johnson, D.E.	Mehrkens	Spear
Beckman	Diessner	Jude	Merriam	Storm
Belanger	Frank	Kroening	Morse	Stumpf
Bernhagen	Frederick	Laidig	Pehler	Taylor
Bertram	Frederickson, D.J.	Lantry	Peterson, D.C.	Vickerman
Brandl	Frederickson, D.R.	Lessard	Piper	Waldorf
Brataas	Freeman	Luther	Ramstad	
Cohen	Gustafson	Marty	Renneke	

Those who voted in the negative were:

Benson	Knaak	Larson	Olson	Peterson, R.W.
Decker	Knutson	Metzen		

So the bill passed and its title was agreed to.

RECONSIDERATION

Mr. Knaak moved that the vote whereby H.F. No. 2470 was passed by the Senate on April 5, 1988, be now reconsidered. The motion prevailed.

H.F. No. 2470: A bill for an act relating to crimes; increasing the penalties for issuing dishonored checks with aggregate value greater than \$200; amending Minnesota Statutes 1986, section 609.535, subdivision 2, and by adding a subdivision.

Mr. Knaak moved to amend H.F. No. 2470 as follows:

Page 1, lines 22 and 25, delete "\$200" and insert "\$250"

Amend the title as follows:

Page 1, line 4, delete "\$200" and insert "\$250"

The motion prevailed. So the amendment was adopted.

H.F. No. 2470 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 56 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Knutson	Metzen	Samuelson
Anderson	Diessner	Kroening	Morse	Solon
Beckman	Frank	Laidig	Novak	Spear
Belanger	Frederick	Langseth	Olson	Storm
Benson	Frederickson, D.J.	Lantry	Pehler	Stumpf
Berg	Frederickson, D.R.	Larson	Peterson, D.C.	Taylor
Bernhagen	Freeman	Lessard	Peterson, R.W.	Vickerman
Bertram	Gustafson	Luther	Piper	Waldorf
Brandl	Hughes	Marty	Pogemiller	
Cohen	Johnson, D.E.	McQuaid	Purfeerst	
Dahl	Jude	Mehrkens	Ramstad	
Decker	Knaak	Merriam	Renneke	

So the bill, as amended, passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1912: A bill for an act relating to health and human services; requiring the commissioner of health to implement an infant formula rebate system for the W.I.C. program; requiring written materials provided to clients under programs administered or supervised by the departments of human services, health, and jobs and training to be in plain language and readable at the seventh-grade level; establishing a local income assistance grant program to increase the use of food stamps by homeless individuals; amending Minnesota Statutes 1986, section 145.894; proposing coding for new law in Minnesota Statutes, chapters 144, 256, and 268.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 54 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Decker	Knaak	Mehrkens	Reichgott
Anderson	DeCramer	Knutson	Merriam	Renneke
Beckman	Diessner	Kroening	Metzen	Schmitz
Belanger	Frank	Laidig	Morse	Solon
Benson	Frederick	Langseth	Olson	Spear
Bernhagen	Frederickson, D.J.	Lantry	Pehler	Storm
Bertram	Frederickson, D.R.	Larson	Peterson, D.C.	Stumpf
Brandl	Freeman	Lessard	Peterson, R.W.	Taylor
Brataas	Hughes	Luther	Piper	Vickerman
Cohen	Johnson, D.E.	Marty	Pogemiller	Waldorf
Dahl	Jude	McQuaid	Ramstad	

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 2434: A bill for an act relating to the city of Duluth; authorizing the expenditure of previously appropriated funds for acquisition or construction of Duluth's Western Waterfront Trail.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 55 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Decker	Knaak	Mehrkens	Ramstad
Anderson	DeCramer	Knutson	Merriam	Reichgott
Beckman	Frank	Kroening	Metzen	Renneke
Belanger	Frederick	Laidig	Moe, R.D.	Schmitz
Benson	Frederickson, D.J.	Langseth	Morse	Solon
Bernhagen	Frederickson, D.R.	Lantry	Olson	Spear
Bertram	Freeman	Larson	Peterson, D.C.	Storm
Brandl	Gustafson	Lessard	Peterson, R.W.	Stumpf
Brataas	Hughes	Luther	Piper	Taylor
Cohen	Johnson, D.E.	Marty	Pogemiller	Vickerman
Dahl	Jude	McQuaid	Purfeerst	Waldorf

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1771: A bill for an act relating to taxation; retaining strict levy limits for cities and counties that do not comply with pay equity requirements; reducing 1992 local government aids of cities and counties that do not implement equitable compensation plans.

Ms. Reichgott moved to amend S.F. No. 1771 as follows:

Page 1, line 18, after "1991" insert ", unless a later date has been approved by the commissioner. If a report was filed before October 1, 1987, and had an implementation date after December 31, 1991, the date in the report shall be approved by the commissioner"

Page 3, line 25, after "1991," insert "or the later date approved by the commissioner"

Page 3, line 28, after "percent" insert "; provided that the reduction in aid shall apply to the first calendar year beginning after the date for implementation of the plan of a governmental subdivision for which the commissioner of employee relations has approved an implementation date later than December 31, 1991"

The motion prevailed. So the amendment was adopted.

S.F. No. 1771 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 42 and nays 16, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Jude	Moe, R.D.	Reichgott
Benson	Frank	Knaak	Morse	Schmitz
Brandl	Frederick	Knutson	Novak	Solon
Brataas	Frederickson, D.J.	Kroening	Peterson, D.C.	Spear
Cohen	Frederickson, D.R.	Langseth	Peterson, R.W.	Taylor
Dahl	Freeman	Lantry	Piper	Waldorf
Decker	Hughes	Luther	Pogemiller	
DeCramer	Johnson, D.E.	Marty	Purfeerst	
Dicklich	Johnson, D.J.	Metzen	Ramstad	

Those who voted in the negative were:

Anderson	Bernhagen	Larson	Mehrkens	Storm
Beckman	Bertram	Lessard	Olson	Stumpf
Belanger	Gustafson	McQuaid	Renneke	Vickerman
Berg				

So the bill, as amended, passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 2182: A bill for an act relating to taxation; providing for payment of tax increments attributable to referendum levy increases to school districts; amending Minnesota Statutes 1987 Supplement, section 469.177, by adding a subdivision.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 54 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Jude	Merriam	Ramstad
Anderson	Decker	Knaak	Metzen	Reichgott
Beckman	DeCramer	Knutson	Moe, R.D.	Renneke
Belanger	Dicklich	Langseth	Morse	Schmitz
Benson	Frank	Lantry	Novak	Solon
Berg	Frederick	Larson	Olson	Spear
Bernhagen	Frederickson, D.J.	Lessard	Peterson, D.C.	Storm
Bertram	Frederickson, D.R.	Luther	Peterson, R.W.	Stumpf
Brandl	Hughes	Marty	Piper	Vickerman
Brataas	Johnson, D.E.	McQuaid	Pogemiller	Waldorf
Cohen	Johnson, D.J.	Mehrkens	Purfeerst	

So the bill passed and its title was agreed to.

Mr. Stumpf moved that S.F. No. 517, No. 16 on Special Orders, be stricken and re-referred to the Committee on Environment and Natural Resources. The motion prevailed.

Mr. Pogemiller moved that H.F. No. 2468, No. 53 on Special Orders, be stricken and re-referred to the Committee on Rules and Administration. The motion did not prevail.

SPECIAL ORDER

H.F. No. 1111: A bill for an act relating to crimes; providing that it is a prima facie case for reference for prosecution as an adult if a child is alleged to have committed an aggravated felony against the person as a member of an organized gang; making it a crime for an alleged or adjudicated juvenile delinquent who is 18 years old to escape from lawful custody; amending Minnesota Statutes 1986, sections 260.125, subdivision 3; and 609.485, subdivisions 2 and 4.

Mr. Freeman moved to amend H.F. No. 1111, the unofficial engrossment, as follows:

Page 3, line 22, before the semicolon, insert "*, or while held in lawful custody of the commissioner of corrections on an allegation or adjudication of a delinquent act while 18 years of age*"

Page 3, delete lines 23 to 25

Page 3, line 26, reinstate the stricken language and delete the new language

Page 3, line 30, reinstate the stricken language and delete the new language

Page 3, line 33, reinstate the stricken language and delete the new language

The motion prevailed. So the amendment was adopted.

H.F. No. 1111 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 56 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Jude	Merriam	Renneke
Anderson	Decker	Knaak	Metzen	Schmitz
Beckman	DeCramer	Knutson	Moe, R.D.	Spear
Belanger	Dicklich	Kroening	Morse	Storm
Benson	Diessner	Langseth	Novak	Stumpf
Berg	Frank	Lantry	Olson	Taylor
Bernhagen	Frederickson, D.J.	Larson	Pehler	Vickerman
Bertram	Frederickson, D.R.	Lessard	Peterson, D.C.	Waldorf
Brandl	Freeman	Luther	Piper	
Brataas	Gustafson	Marty	Pogemiller	
Chmielewski	Hughes	McQuaid	Purfeerst	
Cohen	Johnson, D.E.	Mehrkens	Ramstad	

So the bill, as amended, passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 421: A bill for an act relating to health; authorizing the commissioner of health to issue subpoenas in certain instances; proposing coding for new law in Minnesota Statutes, chapter 144.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 53 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Johnson, D.E.	McQuaid	Purfeerst
Anderson	Dahl	Johnson, D.J.	Mehrkens	Ramstad
Beckman	Decker	Jude	Merriam	Renneke
Belanger	DeCramer	Knaak	Metzen	Spear
Benson	Diessner	Kroening	Moe, R.D.	Storm
Berg	Frank	Langseth	Morse	Stumpf
Bernhagen	Frederick	Lantry	Novak	Taylor
Bertram	Frederickson, D.J.	Larson	Olson	Vickerman
Brandl	Frederickson, D.R.	Lessard	Pehler	Waldorf
Brataas	Gustafson	Luther	Piper	
Chmielewski	Hughes	Marty	Pogemiller	

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 22: A bill for an act relating to local government; permitting certain counties to levy a tax for the county historical society; imposing a reverse referendum requirement.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 55 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Johnson, D.J.	McQuaid	Purfeerst
Anderson	Dahl	Jude	Mehrkens	Ramstad
Beckman	Decker	Knaak	Merriam	Reichgott
Belanger	DeCramer	Knutson	Metzen	Renneke
Benson	Frank	Kroening	Moe, R.D.	Schmitz
Berg	Frederick	Langseth	Morse	Spear
Bernhagen	Frederickson, D.J.	Lantry	Novak	Storm
Bertram	Frederickson, D.R.	Larson	Olson	Stumpf
Brandl	Gustafson	Lessard	Pehler	Taylor
Brataas	Hughes	Luther	Piper	Vickerman
Chmielewski	Johnson, D.E.	Marty	Pogemiller	Waldorf

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 2117: A bill for an act relating to public finance; providing conditions of local and state government debt financing; allocating bonding authority subject to a volume cap under federal tax law; amending Minnesota Statutes 1987 Supplement, sections 474A.04, subdivision 1a; 474A.061, subdivisions 2 and 4; and 474A.091; repealing Minnesota Statutes 1987 Supplement, section 474A.061, subdivision 5.

Ms. Reichgott moved to amend H.F. No. 2117, the unofficial engrossment, as follows:

Pages 1 to 11, delete sections 1 to 10

Page 18, delete sections 15 and 16

Page 18, line 27, delete "(a)"

Page 18, delete lines 29 to 32

Page 18, delete section 18

Renumber the sections in sequence

Amend the title as follows:

Page 1, delete lines 2 to 7

Page 1, line 8, delete "system" and insert "relating to public finance"

Page 1, line 11, delete "1986, sections"

Page 1, delete lines 12 to 15

Page 1, line 16, delete "1; 473F08, subdivisions 2 and 6;" and insert "1987 Supplement, sections"

Page 1, delete lines 18 to 21 and insert "repealing Minnesota Statutes 1987 Supplement, section"

The motion prevailed. So the amendment was adopted.

H.F. No. 2117 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 53 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Decker	Jude	Merriam	Ramstad
Anderson	DeCramer	Knaak	Metzen	Reichgott
Beckman	Diessner	Knutson	Moe, R.D.	Schmitz
Belanger	Frank	Kroening	Morse	Spear
Berg	Frederick	Langseth	Novak	Storm
Bernhagen	Frederickson, D.J.	Lantry	Olson	Stumpf
Bertram	Frederickson, D.R.	Larson	Pehler	Taylor
Brandl	Gustafson	Lessard	Peterson, D.C.	Vickerman
Brataas	Hughes	Luther	Piper	Waldorf
Cohen	Johnson, D.E.	Marty	Pogemiller	
Dahl	Johnson, D.J.	McQuaid	Purfeerst	

So the bill, as amended, passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate revert to the Orders of Business of Messages From the House, Reports of Committees and Second Reading of Senate Bills. The motion prevailed.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 3 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 2226: A bill for an act relating to state government; amending certain provisions governing advisory councils, committees, and task forces; amending Minnesota Statutes 1986, sections 3.922, subdivision 3; 3.925, subdivision 1; 3.9226, subdivision 1; 6.65; 15.059, subdivision 5; 79.51, subdivision 4; 84B.11, subdivision 1; 85A.02, subdivision 4; 115.54; 116C.59, subdivisions 1, 2, and 4; 116C.839; 121.83; 124.48, subdivision 3; 126.56, subdivision 5; 128A.03, subdivision 3; 135A.05; 136A.02, subdivision 7; 138.97, subdivision 3; 162.02, subdivision 2; 162.09, subdivision 2; 174.031,

subdivision 2; 175.008; 182.653, subdivision 4e; 214.141; 248.10, subdivision 2; 254A.035, subdivision 2; 256C.28, subdivision 2; 299F.097; 611A.34, subdivision 1; 611A.71, by adding a subdivision; Minnesota Statutes 1987 Supplement, sections 15.059, subdivision 6; 16B.20, subdivision 2; 43A.316, subdivision 4; 115A.12, subdivision 1; 116J.971, by adding a subdivision; 120.17, subdivision 11a; 121.934, subdivision 1; 123.935, subdivision 7; 126.665; 129C.10, subdivision 3; 136A.02, subdivision 6; 144.672, subdivision 1; 175.007, subdivision 1; 245.697, subdivision 1; 245.97, subdivision 6; 246.56, subdivision 2; 256.482, subdivision 1; 256.73, subdivision 7; 256B.064, subdivision 1a; 256B.27, subdivision 3; 256B.433, subdivisions 1 and 4; 299A.23, subdivision 2; 299J.06, subdivision 4; repealing Minnesota Statutes 1986, sections 116J.04; 160.80, subdivision 6; 177.28, subdivision 2; 326.66; Minnesota Statutes 1987 Supplement, section 115A.12, subdivision 2.

There has been appointed as such committee on the part of the House:
Knuth, Simoneau and Gutknecht.

Senate File No. 2226 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 5, 1988

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 3 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 2009: A bill for an act relating to family law; modifying and clarifying provisions for the collection and enforcement of child support; providing for cost-of-living adjustments in spousal maintenance awards; providing for grandparent visitation rights in all family law proceedings; providing for reopening of judgments; providing for custody rights; clarifying and modifying provisions relating to pension plan rights in marriage dissolutions; amending Minnesota Statutes 1986, sections 69.62; 256.978; 257.022, subdivision 2; 270A.03, subdivision 4; 383B.51; 423A.16; 424A.02, subdivision 6; 490.126, by adding a subdivision; 518.145; 518.156, subdivision 1; 518.17, subdivision 3; 518.171, by adding a subdivision; 518.175, by adding a subdivision; 518.551, by adding a subdivision; 518.552, by adding a subdivision; 518.54, by adding a subdivision; 518.611, subdivision 10; 518.64, subdivision 2; and 518.641; Minnesota Statutes 1987 Supplement, sections 356.80; 518.54, subdivision 10; 518.58, subdivision 2; 518.581, subdivision 4; and 518.611, subdivision 2.

There has been appointed as such committee on the part of the House:
Vellenga, Dempsey and Rest.

Senate File No. 2009 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 5, 1988

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 5 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 2569: A bill for an act relating to education; appropriating money to the higher education coordinating board, regents of the University of Minnesota, state university board, state board for community colleges, and state board of vocational technical education, with certain conditions; authorizing bonding for capital improvements; amending Minnesota Statutes 1986, sections 3.971, subdivision 1; 92.05; 136.31, by adding a subdivision; and 136.41, by adding subdivisions; 248.07, subdivisions 7 and 12; Minnesota Statutes 1987 Supplement, section 248.07, subdivision 8; Laws 1983, chapter 334, section 7, as amended; and Laws 1987, chapter 401, section 2, subdivision 6; proposing coding for new law in Minnesota Statutes, chapters 135A and 137; repealing Minnesota Statutes 1986, sections 136.26; and 136C.13, subdivision 3.

There has been appointed as such committee on the part of the House: Carlson, L.; Price; Dorn; Segal and Haukoos.

Senate File No. 2569 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 5, 1988

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 1622, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 1622: A bill for an act relating to agriculture; clarifying which debtors are eligible for mediation; amending Minnesota Statutes 1986, section 583.24, subdivision 2; Minnesota Statutes 1987 Supplement, section 583.26, subdivision 5.

Senate File No. 1622 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 5, 1988

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1844:

H.F. No. 1844: A bill for an act relating to courts; prescribing when a referee's orders become effective; amending Minnesota Statutes 1986, section 484.70, subdivision 7.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Vellenga, Kelly and Wagenius have been appointed as such committee on the part of the House.

House File No. 1844 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 5, 1988

Mr. Cohen moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1844, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 2049:

H.F. No. 2049: A bill for an act relating to commerce; motor vehicles; clarifying the intent of the legislature regarding certain motor vehicle coverages; regulating motor vehicle franchises; clarifying the intent of the legislature regarding cancellations, terminations, or nonrenewals; specifying unfair practices; prohibiting agreements designed to waive, nullify, or modify statutory regulation; requiring lessors to title and register vehicles; amending Minnesota Statutes 1986, sections 60A.08, by adding a subdivision; 80E.06; 80E.07; 80E.08; 80E.09; 80E.13; Minnesota Statutes 1987 Supplement, sections 65B.49, subdivision 5a; and 72A.125, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 80E.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Sparby, McKasy and Skoglund have been appointed as such committee on the part of the House.

House File No. 2049 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 5, 1988

Mr. Dahl moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 2049, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 2265:

H.F. No. 2265: A bill for an act relating to natural resources; correcting

certain provisions for net size for the taking of ciscoes; amending Minnesota Statutes 1986, section 97C.805, subdivision 2.

The House respectfully requests that a Conference Committee of 5 members be appointed thereon.

Reding; Stanius; Battaglia; Johnson, R. and Marsh have been appointed as such committee on the part of the House.

House File No. 2265 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 5, 1988

Mr. Berg moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 2265, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 2590:

H.F. No. 2590: A bill for an act relating to the financing of government in Minnesota; changing tax rates and bases; modifying the administration, collection, and enforcement of taxes; imposing taxes; changing the computation, administration, and payment of aids, credits, and refunds; limiting taxing powers; transferring and imposing governmental powers and duties; making technical corrections and clarifications; providing bonding authority to Hennepin County; imposing penalties; appropriating money and reducing appropriations; amending Minnesota Statutes 1986, sections 69.031, subdivision 3; 168.011, subdivision 8; 168.012, subdivision 9; 237.075, subdivision 8; 240.01, by adding a subdivision; 240.13, subdivisions 4 and 6; 240.15, subdivisions 1, 3, and 6; 240.18; 270.075, subdivision 2; 270.41; 270.70, subdivision 1; 271.01, subdivision 5; 273.05, subdivision 1; 273.061, subdivision 2; 273.112, subdivisions 3 and 6; 273.121; 273.124, subdivisions 1 and 6; 273.13, by adding a subdivision; 273.40; 279.01, subdivision 3; 287.21, by adding a subdivision; 290.01, by adding a subdivision; 290.06, by adding subdivisions; 290.39, by adding a subdivision; 290.50, subdivision 3; 290.92, subdivisions 2a and 21; 290.931, subdivision 1; 290.934, subdivisions 1, 3, and by adding a subdivision; 290A.03, subdivision 7; 297.01, by adding a subdivision; 297.03, subdivision 12, and by adding a subdivision; 297.041, subdivision 1; 297.06, subdivisions 1, 2, 3, and by adding a subdivision; 297.08, subdivision 1; 297.12, subdivision 1; 297.35, by adding a subdivision; 297A.02, subdivision 4; 297A.15, subdivisions 1 and 5; 297A.16; 297A.17; 297A.21; 297A.25, subdivisions 5, 8, 27, and by adding subdivisions; 297A.256; 297C.02, subdivisions 3 and 4; 297C.03, by adding a subdivision; 297C.07; 297D.08; 298.223; 303.03; 329.11; 349.12, subdivision 18, and by adding subdivisions; 349.2121, subdivisions 1, 2, 5, and by adding a subdivision; 349.22, subdivision 1, and by adding subdivisions; 375.192, subdivision 1; 375.83; 473.167, subdivisions 2, 3, and by adding subdivisions; 473.249, subdivision 1, and by adding a subdivision; 473.446, subdivision 3, and by

adding a subdivision; 473.711, subdivision 2, and by adding a subdivision; 473.843, subdivision 2; 477A.011, subdivision 11, and by adding a subdivision; and 477A.015; Minnesota Statutes 1987 Supplement, sections 16A.1541; 60A.15, subdivision 1; 60E.04, subdivision 4; 69.021, subdivision 5; 69.54; 124.155, subdivision 2; 124A.02, subdivisions 3a and 11; 240.13, subdivision 5; 270.485; 272.02, subdivision 1; 272.115, subdivision 4; 272.121; 273.061, subdivision 1; 273.1195; 273.123, subdivisions 4 and 5; 273.124, subdivisions 11 and 13; 273.13, subdivisions 23, 24, and 25; 273.135, subdivision 2; 273.1391, subdivision 2; 273.1392; 273.1393; 273.1397, subdivision 2; 273.165, subdivision 2; 273.42, subdivision 2; 274.01, subdivision 1; 274.19, subdivisions 1, 2, 3, 4, 6, 7, and 8; 275.07, subdivision 1; 275.50, subdivision 2; 275.51, subdivision 3h; 276.04; 279.01, subdivision 1; 290.01, subdivisions 3a, 4, 7, 19, 19a, 19b, 19c, 19d, 19e, and 20; 290.015, subdivisions 1, 2, 3, and 4; 290.06, subdivisions 1, 2c, and 21; 290.081; 290.092, subdivisions 3, 4, 5, and by adding a subdivision; 290.095, subdivisions 1, 3, and by adding a subdivision; 290.10; 290.17, subdivision 2; 290.191, subdivisions 6 and 11; 290.21, subdivisions 3 and 4; 290.35, subdivision 2; 290.371, subdivisions 1, 3, 4, and 5; 290.38; 290.41, subdivision 2; 290.92, subdivisions 7 and 15; 290.934, subdivision 2; 290.9725; 290A.03, subdivisions 3, 13, 14, and 15; 290A.04, subdivision 2; 290A.06; 295.32; 295.34, subdivision 1; 297.01, subdivisions 7 and 14; 297.03, subdivision 6; 297.11, subdivision 5; 297A.01, subdivision 3; 297A.212; 297A.25, subdivisions 3 and 11; 297B.03; 297C.04; 298.2213, subdivision 3; 299.01, subdivision 1; 349.212, subdivisions 1 and 4; 349.2121, subdivisions 4a and 10; 349.2122; 349.2123; 469.174, subdivision 10; 469.175, subdivisions 1, 2, 3, 4, and by adding a subdivision; 469.176, subdivisions 1, 4, and 6; 469.177, subdivisions 1, 3, 4, and by adding subdivisions; 473.446, subdivision 1; 475.53, subdivision 4; 475.61, subdivision 3; 477A.012, subdivision 1; and 508.25; Laws 1987, chapter 268, article 6, sections 19, 53, and 54; and article 8, section 9; proposing coding for new law in Minnesota Statutes, chapters 270; 273; 275; 290; 290A; 297; 297C; 298; 349; and 424A; repealing Minnesota Statutes 1986, sections 272.64; 273.13, subdivisions 7a and 30; 275.035; 275.49; 290.07, subdivisions 3 and 6; 290.11; 290.12, as amended; 290.131, as amended; 290.132, as amended; 290.133, as amended; 290.134, as amended; 290.135, as amended; 290.136, as amended; 290.138, as amended; 290.934, subdivision 4; 297A.15; subdivision 2; 297C.03, subdivision 5; 298.401; and 299.013; Minnesota Statutes 1987 Supplement, sections 273.1195; 273.13, subdivision 15a; 273.1394; 273.1395; 273.1396; 273.1397; 275.081; 275.082; 275.125, subdivision 22; 290.06, subdivision 20; 290.077, subdivision 1; 290.14; 290.371, subdivision 2; 290A.04, subdivisions 2a and 2b; 296.02, subdivisions 2a and 2b; and 296.025, subdivisions 2a and 2b; Laws 1987, chapter 268, article 3, section 11; and article 5, section 4.

The House respectfully requests that a Conference Committee of 5 members be appointed thereon.

Voss, Vanasek, Wynia, Ogren and Long have been appointed as such committee on the part of the House.

House File No. 2590 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 5, 1988

Mr. Johnson, D.J. moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 2590, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 85, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 85 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 5, 1988

CONFERENCE COMMITTEE REPORT ON H.F. NO. 85

A bill for an act relating to consumer protection; requiring certain disclosures in sales of used motor vehicles; regulating new and used motor vehicle licenses; providing certain standards in applications for certificates of title; requiring certain disclosures upon the transfer of a motor vehicle; amending Minnesota Statutes 1986, sections 168.27, subdivisions 1, 2, 3, 4, 8, 10, 12, and 24; 169.57, by adding a subdivision; 325E.0951, by adding a subdivision; 325G.18; and 336.2-316; proposing coding for new law in Minnesota Statutes, chapters 168 and 168A.

March 28, 1988

The Honorable Robert Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 85, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H.F. No. 85 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1986, section 168.27, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For the purposes of this section, the following terms have the meanings given them:

(1) “Leasing motor vehicles” means furnishing a motor vehicle for a fee under a bailor-bailee relationship where no incidences of ownership are intended to be transferred other than the right to use the vehicle for a stated period of time.

(2) “Brokering motor vehicles” means arranging sales between willing

buyers and sellers of motor vehicles and receiving a fee for said service.

(3) "Wholesaling motor vehicles" means selling new or used motor vehicles to dealers for resale to the public.

(4) "Auctioning motor vehicles" means arranging for and handling the sale of motor vehicles, not the property of the auctioneer, to the highest bidder.

(5) "Dealer" includes new motor vehicle dealers, used motor vehicle dealers, ~~brokers~~, wholesalers, auctioneers and lessors of new or used motor vehicles.

(6) "Commercial building" means a *permanent, enclosed building that is on a permanent foundation and connected to local sewer and water facilities or otherwise complying with local sanitary codes, is adapted to commercial use and located in an area zoned for commercial or other less restrictive nonresidential use by the governmental unit in which it is located, and conforms to local government zoning requirements. "Commercial building" may include strip office malls or garages if a separate entrance and a separate address are maintained and the dealership is clearly identified as a separate business.*

(7) "Commercial office space" means office space occupying all or part of a commercial building.

(8) "Horse trailer" is a trailer designed and used to carry horses and other livestock, which has not more than three axles and a maximum gross weight capacity of not more than 24,000 pounds.

(9) "Isolated or occasional sales or leases" means the sale or lease of not more than five motor vehicles in a 12-month period, exclusive of pioneer or classic motor vehicles as defined in section 168.10, subdivisions 1a and 1b or sales by a licensed auctioneer selling motor vehicles at an auction if, in the ordinary course of the auctioneer's business, the sale of motor vehicles is incidental to the sale of other real or personal property.

(10) "Used motor vehicle" means a motor vehicle for which title has been transferred from the person who first acquired it from the manufacturer, distributor, or dealer. A new motor vehicle will not be considered a used motor vehicle until it has been placed in actual operation and not held for resale by an owner who has been granted a certificate of title on the motor vehicle and has registered the motor vehicle in accordance with chapters 168, 168A, and 297B, or the laws of the residence of the owner.

(11) "New motor vehicle" means a motor vehicle other than described in paragraph (10).

Sec. 2. Minnesota Statutes 1986, section 168.27, subdivision 2, is amended to read:

Subd. 2. [NEW MOTOR VEHICLE DEALER.] (a) No person shall engage in the business of selling or ~~arranging the sale of~~ new motor vehicles or shall offer to sell, solicit, ~~arrange~~ or advertise the sale of new motor vehicles without first acquiring a new motor vehicle dealer license. A new motor vehicle dealer licensee shall be entitled thereunder to sell, broker, wholesale or auction and to solicit and advertise the sale, broker, wholesale or auction of new motor vehicles covered by the franchise and any used motor vehicles or to lease and to solicit and advertise the lease of new motor vehicles and any used motor vehicles and such sales or leases may

be either for consumer use at retail or for resale to a dealer. Nothing herein shall be construed to require an applicant for a dealer license who proposes to deal in: (1) new and unused motor vehicle bodies; or (2) type A, B, or C motor homes as defined in section 168.011, subdivision 25, to have a bona fide contract or franchise in effect with either the first-stage manufacturer of the motor home or the manufacturer or distributor of any motor vehicle chassis upon which the new and unused motor vehicle body is mounted. The modification or conversion of a new van-type vehicle into a multipurpose passenger vehicle which is not a motor home does not constitute dealing in new or unused motor vehicle bodies, and a person engaged in the business of selling these van-type vehicles must have a bona fide contract or franchise with the appropriate manufacturer under subdivision 10. A van converter or modifier who owns these modified or converted van-type vehicles may sell them at wholesale to new motor vehicle dealers having a bona fide contract or franchise with the first-stage manufacturer of the vehicles.

(b) The requirements pertaining to franchises do not apply to persons who remodel or convert motor vehicles for medical purposes. For purposes of this subdivision, "medical purpose" means certification by a licensed physician that remodeling or conversion of a motor vehicle is necessary to enable a handicapped person to use the vehicle.

Sec. 3. Minnesota Statutes 1986, section 168.27, is amended by adding a subdivision to read:

Subd. 5a. [CONSIGNMENT SALES.] No person may solicit, accept, offer for sale, or sell motor vehicles for consignment sale unless licensed as a new or used motor vehicle dealer, a motor vehicle wholesaler, or a motor vehicle auctioneer. This requirement does not apply to a licensed auctioneer selling motor vehicles at an auction if, in the ordinary course of the auctioneer's business, the sale of motor vehicles is incidental to the sale of other real or personal property.

Sec. 4. Minnesota Statutes 1986, section 168.27, subdivision 8, is amended to read:

Subd. 8. [EXEMPTIONS.] (1) Salespeople and other employees of licensed dealers under this section shall not be required to obtain individual licenses.

(2) Isolated or occasional sales or leases of new or used motor vehicles shall be exempt from the provisions of this section. *A person who makes only isolated or occasional sales or leases is not considered to be in the business of selling or leasing motor vehicles and does not qualify to receive dealer plates pursuant to subdivision 16.*

Sec. 5. Minnesota Statutes 1986, section 168.27, subdivision 10, is amended to read:

Subd. 10. [ESTABLISHED PLACE OF DOING BUSINESS.] All licensees under this section shall have an established place of business which shall include as a minimum:

(1) For a new motor vehicle dealer, the following:

(a) a ~~permanent enclosed~~ commercial building ~~on a permanent foundation~~, owned or under lease by the licensee. The lease shall be for a minimum term of one year. The building shall contain office space where the books, records and files necessary to conduct the business are kept and

maintained with personnel available during normal business hours. *Dealership business hours must be conspicuously posted on the place of doing business and readily viewable by the public;*

(b) a bona fide contract or franchise (1) in effect with a manufacturer or distributor of the new motor vehicles the dealer proposes to sell, broker, wholesale or auction, or (2) in effect with the first-stage manufacturer or distributor of new motor vehicles purchased from a van converter or modifier which the dealer proposes to sell, broker, wholesale, or auction, or (3) in effect with the final stage manufacturer of the new type A, B or C motor homes which the dealer proposes to sell, broker, wholesale, or auction;

(c) a facility for the repair and servicing of motor vehicles and the storage of parts and accessories, not to exceed ten miles distance from the principal place of business. Such service may be provided through contract with bona fide operators actually engaged in such services;

(d) *an area either indoors or outdoors to display motor vehicles which is owned or under lease by the licensee; and*

(e) *a sign clearly identifying the dealership by name which is readily viewable by the public.*

(2) For a used motor vehicle dealer, the following:

(a) ~~a permanent enclosed commercial building on a permanent foundation,~~ owned or under lease by the licensee. The lease shall be for a minimum term of one year. The building shall contain office space ~~for~~ where the books, records and files necessary to conduct the business are kept and maintained with personnel available during normal business hours or automatic telephone answering service during normal ~~working~~ business hours. *Dealership business hours must be conspicuously posted on the place of doing business and readily viewable by the public;*

(b) *an area either indoors or outdoors to display motor vehicles which is owned or under lease by the licensee; and*

(c) *a sign clearly identifying the dealership by name which is readily viewable by the public.*

(3) For a motor vehicle lessor, the following: a commercial office space where the books, records and files necessary to conduct the business are kept and maintained with personnel available during normal business hours or an automatic telephone answering service during normal business hours. *Business hours must be conspicuously posted on the place of doing business and readily viewable by the public. The office space must be owned or under lease for a minimum term of one year by the licensee.*

(4) ~~For a motor vehicle broker, the following: a commercial office space where the books, records and files necessary to conduct the business are kept and maintained with personnel available during normal business hours or an automatic telephone answering service during normal business hours.~~

(5) For a motor vehicle wholesaler, the following: a commercial office space where the books, records and files necessary to conduct the business are kept and maintained with personnel available during normal business hours or an automatic telephone answering service during normal business hours. *The office space must be owned or under lease for a minimum term of one year by the licensee.*

(6) (5) For a motor vehicle auctioneer, the following: a permanent enclosed

commercial building, within or without the state, on a permanent foundation, owned or under lease by the licensee. The lease shall be for a minimum term of one year. The building shall contain office space where the books, records and files necessary to conduct the business are kept and maintained with personnel available during normal business hours or an automatic telephone answering service during normal business hours.

(7) (6) If a new or used motor vehicle dealer maintains more than one place of doing business in a county, the separate places shall be listed on the application. If additional places of business are maintained outside of one county, separate licenses shall be obtained for each county.

(8) (7) If a motor vehicle lessor, ~~broker~~ wholesaler, or auctioneer maintains more than one permanent place of doing business, either in one or more counties, the separate places shall be listed in the application, but only one license shall be required. *If a lessor proposes to sell previously leased or rented vehicles at a location outside the seven-county metropolitan area, as defined in section 473.121, subdivision 2, other than cities of the first or second class, the lessor must obtain a license for each nonmetropolitan area county in which sales are to take place.*

(8) *If a motor vehicle dealer, lessor, or wholesaler does not have direct access to a public road or street, any privately owned roadway providing access to a public road or street must be clearly identified and adequately maintained.*

Sec. 6. Minnesota Statutes 1986, section 168.27, subdivision 11, is amended to read:

Subd. 11. [LICENSES.] *Application for license or notification of a change of location of a license must include a street address, not a post office box, and is subject to the registrar's approval. Upon the filing of an application for a license and the proper fee, the registrar is authorized, unless the application on its face appears to be invalid, to grant a 90-day temporary license and during said 90-day period shall investigate the fitness of the applicant, inspect the site and make such other investigation as is necessary to insure compliance with the licensing law. The registrar may extend the temporary license 30 days. At the end of the period of investigation the license shall either be granted or denied. The license must be denied if within the previous five years the applicant was enjoined due to a violation of section 325F.69 or convicted of violating section 325E.14, 325E.15, 325E.16, or 325F.69, or convicted under section 609.53 of receiving or selling stolen vehicles, or convicted of violating United States Code, title 15, sections 1981 to 1991, as amended through December 31, 1984. If the application is approved, the registrar shall license the applicant as a motor vehicle dealer for the remainder of the calendar year, and issue a certificate of license therefor as the registrar may provide upon which shall be placed a distinguishing number of identification of such dealer. Each initial application for a license shall be accompanied by a fee of \$50 in addition to the annual fee. The annual fee shall be \$100. All initial fees and annual fees shall be paid into the state treasury and credited to the general fund. If the initial application is received by the registrar after July 1 of any year, the first annual fee shall be reduced by one-half.*

Sec. 7. Minnesota Statutes 1986, section 168.27, is amended by adding a subdivision to read:

Subd. 12a. [GROUNDS FOR CANCELLATION WITHOUT HEARING.]

A license may be canceled by the registrar upon satisfactory proof that the dealer has failed to provide or maintain the required surety bond, or that the dealer has failed to provide or maintain the insurance required under chapter 65B. Surety companies and insurers providing required coverages shall promptly notify the registrar upon canceling any surety bond or required insurance. The registrar shall notify the dealer of the reason or reasons for cancellation before the cancellation occurs.

Sec. 8. Minnesota Statutes 1986, section 168.27, is amended by adding a subdivision to read:

Subd. 26. [ADVERTISING DISCLOSURE.] All advertising by a motor vehicle dealer must disclose that the vehicle is being offered for sale by a dealer through use of the dealership name, the term "dealer", or the abbreviation "DLR."

Sec. 9. [168A.085] [APPLICATIONS FOR TITLE, CERTAIN CASES.]

Subdivision 1. [LIMITATIONS.] No application for certificate of title or registration may be issued for a vehicle that was not manufactured in compliance with applicable federal emission standards in force at the time of manufacture as provided by the Clean Air Act, United States Code, title 42, sections 7401 through 7642, and regulations adopted pursuant thereto, and safety standards as provided by the National Traffic and Motor Safety Act, United States Code, title 15, sections 1381 through 1431, and regulations adopted pursuant thereto, unless the applicant furnishes either proof satisfactory to the agent that the vehicle was not brought into the United States from outside the country or all of the following:

(1) a bond release letter, with all attachments, issued by the United States Department of Transportation acknowledging receipt of a statement of compliance submitted by the importer of the vehicle and that the statement meets the safety requirements as provided by Code of Federal Regulations, title 19, section 12.80(e);

(2) a bond release letter, with all attachments, issued by the United States Environmental Protection Agency stating that the vehicle has been tested and known to be in conformity with federal emission requirements; and

(3) a receipt or certificate issued by the United States Department of the Treasury showing that any gas-guzzler taxes due on the vehicle as provided by Public Law Number 95-618, title 2, section 201(a), have been fully paid.

Subd. 2. [ACCOMPANYING DOCUMENTS.] The application for certificate of title and the application for registration must be accompanied by a manufacturer's certificate of origin in the English language which was issued by the actual vehicle manufacturer and either:

(1) the original documents constituting valid proof of ownership in the country in which the vehicle was originally purchased, together with a translation of the documents into the English language verified as to accuracy of the translation by affidavit of the translator; or

(2) with regard to a vehicle imported from a country that cancels the vehicle registration and title for export, a bond as required by section 168A.07, subdivision 1, clause (2).

Sec. 10. Minnesota Statutes 1987 Supplement, section 297B.031, is

amended to read:

297B.031 [REFUND OF TAX; MANDATORY REFUND OR REPLACEMENT LAWS.]

If a manufacturer of motor vehicles is required by a court order under section 325F665 or a decision of an informal dispute settlement mechanism as defined in section 325F665, or a dealer or lessor of motor vehicles is required by section 12, to pay the consumer the tax imposed by this chapter, a portion of the tax so paid shall be refunded to the manufacturer, dealer, or lessor. The amount of the refund shall be the tax paid by the purchaser less an amount equal to the tax paid multiplied by a fraction, the denominator of which is the purchase price of the vehicle and the numerator of which is the allowance deducted from the refund for the consumer's use of the vehicle. The refund shall be paid to the manufacturer, dealer, or lessor only upon filing of a written application, in a form and providing information as prescribed by the commissioner. Payment of a refund pursuant to this section shall be made out of the general and highway user funds in the same proportion provided for deposit of tax proceeds for the fiscal year pursuant to section 297B.09, subdivision 1. The amounts necessary to pay the refunds are appropriated out of the respective funds.

Sec. 11. Minnesota Statutes 1986, section 325E.0951, is amended by adding a subdivision to read:

Subd. 3a. [DISCLOSURE.] No person may transfer a motor vehicle without certifying in writing to the transferee that to the best of the person's knowledge, the pollution control system, including the restricted gasoline pipe, has not been removed, altered, or rendered inoperative. The registrar of motor vehicles shall prescribe the manner and form in which this written disclosure must be made. No transferor may knowingly give a false statement to a transferee in making a disclosure required by this subdivision.

Sec. 12. [325F662] [SALE OF USED MOTOR VEHICLES.]

Subdivision 1. [DEFINITIONS.] For the purposes of this section, the following terms have the meanings given to them.

(a) "Consumer" means the purchaser, other than for purposes of resale, of a used motor vehicle used primarily for personal, family, or household purposes.

(b) "Dealer" means a motor vehicle dealer or lessor, as defined in section 168.27, subdivisions 2, 3, and 4, whether licensed or unlicensed, or the dealer's or lessor's agent, who is engaged in the business of selling or arranging the sale of used motor vehicles in this state; except that, the term does not include a bank or financial institution, a business selling a used motor vehicle to an employee of that business, a lessor selling a leased used motor vehicle to that vehicle's lessee or a family member or employee of the lessee, or a licensed auctioneer selling motor vehicles at an auction if, in the ordinary course of the auctioneer's business, the sale of motor vehicles is incidental to the sale of other real or personal property.

(c) "Motor vehicle" means a passenger automobile, as defined in section 168.011, subdivision 7, including pickup trucks and vans.

(d) "Used motor vehicle" means any motor vehicle which has been driven more than the limited use necessary in moving or road testing a new motor vehicle prior to delivery to a consumer.

(e) "Express warranty" means a dealer's written statement, as defined in section 325G.17, subdivision 5, provided to a consumer in connection with the sale of a used motor vehicle.

(f) "Buyer's Guide" means the window form required by the Federal Trade Commission's "Used Motor Vehicle Trade Regulation Rule," Code of Federal Regulations, title 16, section 455.2.

Subd. 2. [WRITTEN WARRANTY REQUIRED.] (a) Every used motor vehicle sold by a dealer is covered by an express warranty which the dealer shall provide to the consumer. At a minimum, the express warranty applies for the following terms:

(1) if the used motor vehicle has less than 36,000 miles, the warranty must remain in effect for at least 60 days or 2,500 miles, whichever comes first;

(2) if the used motor vehicle has 36,000 miles or more, but less than 75,000 miles, the warranty must remain in effect for at least 30 days or 1,000 miles, whichever comes first.

(b) The express warranty must require the dealer, in the event of a malfunction, defect, or failure in a covered part, to repair or replace the covered part, or at the dealer's election, to accept return of the used motor vehicle from the consumer and provide a refund to the consumer.

(c) For used motor vehicles with less than 36,000 miles, the dealer's express warranty shall cover, at minimum, the following parts:

(1) with respect to the engine, all lubricated parts, intake manifolds, engine block, cylinder head, rotary engine housings, and ring gear;

(2) with respect to the transmission, the automatic transmission case, internal parts, and the torque converter; or, the manual transmission case, and the internal parts;

(3) with respect to the drive axle, the axle housings and internal parts, axle shafts, drive shafts and output shafts, and universal joints; but excluding the secondary drive axle on vehicles, other than passenger vans, mounted on a truck chassis;

(4) with respect to the brakes, the master cylinder, vacuum assist booster, wheel cylinders, hydraulic lines and fittings, and disc brakes calipers;

(5) with respect to the steering, the steering gear housing and all internal parts, power steering pump, valve body, piston, and rack;

(6) the water pump;

(7) the externally-mounted mechanical fuel pump;

(8) the radiator;

(9) the alternator, generator, and starter.

(d) For used motor vehicles with 36,000 miles or more, but less than 75,000 miles, the dealer's express warranty shall cover, at minimum, the following parts:

(1) with respect to the engine, all lubricated parts, intake manifolds, engine block, cylinder head, rotary engine housings, and ring gear;

(2) with respect to the transmission, the automatic transmission case, internal parts, and the torque converter; or, the manual transmission case,

and internal parts;

(3) with respect to the drive axle, the axle housings and internal parts, axle shafts, drive shafts and output shafts, and universal joints; but excluding the secondary drive axle on vehicles, other than passenger vans, mounted on a truck chassis;

(4) with respect to the brakes, the master cylinder, vacuum assist booster, wheel cylinders, hydraulic lines and fittings, and disc brake calipers;

(5) with respect to the steering, the steering gear housing and all internal parts, power steering pump, valve body, and piston;

(6) the water pump;

(7) the externally-mounted mechanical fuel pump.

(e)(1) A dealer's obligations under the express warranty remain in effect notwithstanding the fact that the warranty period has expired, if the consumer promptly notified the dealer of the malfunction, defect, or failure in the covered part within the specified warranty period and, within a reasonable time after notification, brings the vehicle or arranges with the dealer to have the vehicle brought to the dealer for inspection and repair.

(2) If a dealer does not have a repair facility, the dealer shall designate where the vehicle must be taken for inspection and repair.

(3) In the event the malfunction, defect, or failure in the covered part occurs at a location which makes it impossible or unreasonable to return the vehicle to the selling dealer, the consumer may have the repairs completed elsewhere with the consent of the selling dealer, which consent may not be unreasonably withheld.

(4) Notwithstanding the provisions of this paragraph, a consumer may have non-warranty maintenance and non-warranty repairs performed other than by the selling dealer and without the selling dealer's consent.

(f) Nothing in this section diminishes the obligations of a manufacturer under an express warranty issued by the manufacturer. The express warranties created by this section do not require a dealer to repair or replace a covered part if the repair or replacement is covered by a manufacturer's new car warranty, or the manufacturer otherwise agrees to repair or replace the part.

(g) The express warranties created by this section do not cover defects or repair problems which result from collision, abuse, negligence, or lack of adequate maintenance following sale to the consumer.

(h) The terms of the express warranty, including the duration of the warranty and the parts covered, must be fully, accurately, and conspicuously disclosed by the dealer on the front of the Buyers Guide.

Subd. 3. [EXCLUSIONS.] Notwithstanding the provisions of subdivision 2, a dealer is not required to provide an express warranty for the following used motor vehicles:

(1) vehicles sold for a total cash sale price of less than \$3,000, including the trade-in value of any vehicle traded in by the consumer, but excluding tax, license fees, registration fees, and finance charges;

(2) vehicles with engines designed to use diesel fuel;

(3) vehicles with gross weight, as defined in section 168.011, subdivision

16, in excess of 9,000 pounds;

(4) vehicles that have been custom-built or modified for show or for racing;

(5) vehicles that are eight years of age or older, as calculated from the first day in January of the designated model year of the vehicle;

(6) vehicles that have been produced by a manufacturer which has never manufactured more than 10,000 motor vehicles in any one year;

(7) vehicles having 75,000 miles or more at time of sale;

(8) vehicles that are not manufactured in compliance with applicable federal emission standards in force at the time of manufacture as provided by the Clean Air Act, United States Code, title 42, sections 7401 through 7642, and regulations adopted pursuant thereto, and safety standards as provided by the National Traffic and Motor Safety Act, United States Code, title 15, sections 1381 through 1431, and regulations adopted pursuant thereto.

Subd. 4. [WAIVER.] When purchasing a used motor vehicle, a consumer may waive the express warranty for a covered part if:

(1) the dealer discloses in a clear and conspicuous typed or printed statement on the front of the Buyers Guide that the waived part contains a malfunction, defect, or repair problem; and

(2) the consumer circles this typed or printed statement and signs the Buyers Guide next to the circled statement.

Subd. 5. [WARRANTY AUTOMATIC.] If a dealer fails to give the express warranty required by this section, the dealer nevertheless is considered to have given the express warranty as a matter of law.

Subd. 6. ["BUYERS GUIDE" REQUIREMENTS.] In selling or offering to sell any used motor vehicle, and in providing the express warranty required by this section, a dealer shall comply in all respects with the Federal Trade Commission's "Used Motor Vehicle Trade Regulation Rule," Code of Federal Regulations, title 16, part 455.

Subd. 7. [HONORING OF EXPRESS WARRANTIES.] (a) In accordance with section 325G.19, subdivision 2, every express warranty in connection with the sale of a used motor vehicle must be honored by the dealer according to the terms of the express warranty.

(b) Following repair or replacement of a covered part, the dealer remains responsible under the express warranty for that covered part for one additional warranty period.

(c) By honoring the terms of the express warranty by repairing or replacing a covered part, the dealer does not create an additional implied warranty on any portion of the used motor vehicle.

(d) A dealer may limit the duration of implied warranties to the duration of the express warranty.

Subd. 8. [REFUNDS.] (a) A refund, as provided under subdivision 2, must consist of the full purchase price of the used motor vehicle and all other charges, including but not limited to excise tax, registration tax, license fees, and reimbursement for towing expenses incurred by the consumer as a result of the vehicle being out of service for warranty repair.

less a reasonable allowance for the consumer's use of the vehicle not exceeding ten cents per mile driven or ten percent of the purchase price, whichever is less. Refunds must include the amount stated by the dealer as the trade-in value of any vehicle traded in and applied to the purchase price of the used motor vehicle. Refunds must be made to the consumer and lienholder, if any, as their interests appear on the records of the registrar of motor vehicles.

(b) The amount of the excise tax to be paid by the dealer to the consumer under paragraph (a) is the tax paid by the consumer when the vehicle was purchased less an amount equal to the tax paid multiplied by a fraction, the denominator of which is the purchase price of the vehicle and the numerator of which is the allowance deducted from the refund for the consumer's use of the vehicle.

Subd. 9. [CIVIL REMEDIES.] Any dealer who is found to have violated this section is subject to the penalties and remedies, including a private right of action, as provided in section 8.31. In addition, a violation of subdivision 7 is also a violation of section 325F.69.

Subd. 10. [LIMITATION ON ACTIONS.] A private civil action brought by a consumer under this section must be commenced within one year of the expiration of the express warranty.

Subd. 11. [REMEDY NONEXCLUSIVE.] Nothing in this section limits the rights or remedies which are otherwise available to a consumer under any other law."

Delete the title and insert:

"A bill for an act relating to consumer protection; regulating sales of used motor vehicles under certain circumstances; regulating new and used motor vehicle dealer licenses; providing certain standards in applications for certificates of title; requiring certain disclosures upon the transfer of a motor vehicle; providing for refund of certain taxes; providing penalties; amending Minnesota Statutes 1986, sections 168.27, subdivisions 1, 2, 8, 10, 11, and by adding subdivisions; and 325E.0951, by adding a subdivision; Minnesota Statutes 1987 Supplement, section 297B.031; proposing coding for new law in Minnesota Statutes, chapters 168A and 325F."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Joseph R. Begich, Richard "Rich" O'Connor, Chuck Brown

Senate Conferees: (Signed) Gregory L. Dahl, Allan H. Spear, Dean E. Johnson

Mr. Dahl moved that the foregoing recommendations and Conference Committee Report on H.F. No. 85 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 85 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 59 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.J.	McQuaid	Purfeerst
Anderson	Decker	Jude	Mehrkens	Ramstad
Beckman	DeCramer	Knaak	Merriam	Reichgott
Belanger	Diessner	Knutson	Metzen	Renneke
Benson	Frank	Kroening	Moe, R.D.	Schmitz
Berg	Frederick	Laidig	Morse	Spear
Bernhagen	Frederickson, D.J.	Langseth	Novak	Storm
Bertram	Frederickson, D.R.	Lantry	Olson	Stumpf
Brandl	Freeman	Larson	Pehler	Taylor
Brataas	Gustafson	Lessard	Peterson, D.C.	Vickerman
Chmielewski	Hughes	Luther	Piper	Waldorf
Cohen	Johnson, D.E.	Marty	Pogemiller	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 1831, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 1831 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 5, 1988

CONFERENCE COMMITTEE REPORT ON H.F. NO. 1831

A bill for an act relating to intoxicating liquor; authorizing issuance of one on-sale liquor license on an excursion and dinner boat on Detroit Lake, Becker county; authorizing issuance of an on-sale liquor license to Fort Snelling.

March 28, 1988

The Honorable Robert Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 1831, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 1831 be further amended as follows:

Page 1, line 17, delete everything after "board"

Page 1, delete line 18

Page 1, line 19, delete "Lakes"

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Dennis Poppenhagen, Bob McEachern, John Sarna

Senate Conferees: (Signed) Cal Larson, Michael O. Freeman, Allan H. Spear

Mr. Larson moved that the foregoing recommendations and Conference Committee Report on H.F. No. 1831 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 1831 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 57 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Knaak	Merriam	Reichgott
Anderson	Diessner	Knutson	Metzen	Renneke
Beckman	Frank	Kroening	Moe, R.D.	Schmitz
Belanger	Frederick	Laidig	Morse	Spear
Benson	Frederickson, D.J.	Langseth	Novak	Storm
Bernhagen	Frederickson, D.R.	Lantry	Olson	Stumpf
Bertram	Freeman	Larson	Pehler	Taylor
Brandl	Gustafson	Lessard	Peterson, D.C.	Vickerman
Chmielewski	Hughes	Luther	Piper	Waldorf
Cohen	Johnson, D.E.	Marty	Pogemiller	
Dahl	Johnson, D.J.	McQuaid	Purfeerst	
Decker	Jude	Mehrkens	Ramstad	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

S.F. No. 2546: A resolution memorializing the United States Olympic Committee of state support for the bid for the games of the XXVI Olympiad.

Reports the same back with the recommendation that the resolution do pass. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was re-referred

S.F. No. 2272: A resolution memorializing the Congress of the United States to investigate the connection between Agent Orange and health problems of Vietnam veterans.

Reports the same back with the recommendation that the resolution do pass. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was re-referred

S.F. No. 2428: A bill for an act relating to workers' compensation; regulating workers' compensation benefits and administration; regulating workers'

compensation insurance; abolishing the workers' compensation court of appeals and transferring its jurisdiction to the court of appeals; requiring certain reports relating to workers' compensation; amending Minnesota Statutes 1986, sections 79.251, subdivisions 2 and 3; 79.252, subdivision 1; 79.56, by adding a subdivision; 176.011, subdivisions 11a, 18, and by adding a subdivision; 176.021, subdivision 3; 176.061, subdivision 10; 176.081, subdivisions 1 and 3; 176.101, subdivisions 1, 2, 4, 5, and by adding a subdivision; 176.102, subdivisions 1, 7, and 11; 176.105, subdivision 1; 176.111, subdivisions 6, 7, 8, 12, 14, and 20; 176.131, subdivisions 1a, 2, 4, and by adding a subdivision; 176.132, subdivisions 1, 2, and 3; 176.136, subdivision 1; 176.645, subdivision 2; 176.66, subdivision 11; 176A.03, by adding a subdivision; 480A.06, subdivision 4; Minnesota Statutes 1987 Supplement, sections 176.041, subdivision 4; 176.081, subdivision 2; 176.102, subdivisions 2, 3, 3a, 4, and 6; 176.111, subdivisions 15 and 21; 176.131, subdivisions 1 and 8; proposing coding for new law in Minnesota Statutes, chapter 176; repealing Minnesota Statutes 1986, sections 175A.01 to 175A.06; 175A.07, subdivisions 1, 3, and 4; 175A.08 to 175A.10; 176.011, subdivision 26; 176.101, subdivisions 3a, 3b, 3c, 3d, 3e, 3f, 3g, 3h, 3i, 3j, 3k, 3l, 3m, 3n, 3o, 3p, 3q, 3r, 3s, 3t, 3u, and 6; and Minnesota Statutes 1987 Supplement, section 175A.07, subdivision 2.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was re-referred

S.F. No. 2: A bill for an act proposing an amendment to the Minnesota Constitution, article XIII, section 5; allowing the legislature to authorize the state to operate a lottery.

Reports the same back without recommendation. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 2546, 2272, 2428 and 2 were read the second time.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 232 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 232

A bill for an act relating to crimes; expanding the definition of crime for victims' rights provisions to include ordinance violations resulting in bodily harm; expanding crimes that entitle victim to notice of plea agreement; granting right to victim to submit an impact statement to the court; requiring officers to give victims a notice of their rights; requiring prosecutors to present to the court a written victim impact summary prepared by the victim; ensuring privacy of victim's request for notice of prisoner release; amending Minnesota Statutes 1986, sections 611A.01; 611A.02; and 611A.06; proposing coding for new law in Minnesota Statutes, chapter 611A; repealing Minnesota Statutes 1986, section 611A.03, subdivision 3.

March 11, 1988

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Robert Vanasek
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 232, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 232 be further amended as follows:

Page 4, delete section 6

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Richard J. Cohen, Gary W. Laidig, Lawrence J. Pogemiller

House Conferees: (Signed) Arthur W. Seaberg, Randy C. Kelly, David T. Bishop

Mr. Cohen moved that the foregoing recommendations and Conference Committee Report on S.F. No. 232 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 232 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 51 and nays 6, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	Mehrkens	Renneke
Anderson	Decker	Johnson, D.J.	Metzen	Schmitz
Beckman	DeCramer	Jude	Moe, R.D.	Storm
Benson	Diessner	Knutson	Morse	Stumpf
Berg	Frank	Langseth	Novak	Taylor
Bernhagen	Frederick	Lantry	Olson	Vickerman
Bertram	Frederickson, D.J.	Larson	Pehler	Waldorf
Brandl	Frederickson, D.R.	Lessard	Piper	
Brataas	Freeman	Luther	Pogemiller	
Chmielewski	Gustafson	Marty	Purfeerst	
Cohen	Hughes	McQuaid	Ramstad	

Those who voted in the negative were:

Belanger	Peterson, D.C.	Peterson, R.W.	Reichgott	Spear
Merriam				

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

SPECIAL ORDER

H.F. No. 577: A bill for an act relating to termination of parental rights; clarifying the purposes of the laws on termination of parental rights; altering certain grounds and procedures for termination of parental rights; amending Minnesota Statutes 1986, sections 257.071, subdivisions 3 and 4; 260.011, subdivision 2; 260.012; 260.015, subdivision 10; and 260.155;

subdivisions 4a and 7; and Minnesota Statutes 1987 Supplement, section 260.221.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 58 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Mehrkens	Ramstad
Anderson	Decker	Jude	Merriam	Reichgott
Beckman	DeCramer	Knaak	Metzen	Renneke
Belanger	Diessner	Knutson	Moe, R. D.	Schmitz
Benson	Frank	Kroening	Novak	Spear
Berg	Frederick	Langseth	Olson	Storm
Bernhagen	Frederickson, D.J.	Lantry	Pehler	Stumpf
Bertram	Frederickson, D.R.	Larson	Peterson, D.C.	Taylor
Brandl	Freeman	Lessard	Peterson, R. W.	Vickerman
Chmielewski	Gustafson	Luther	Piper	Waldorf
Cohen	Hughes	Marty	Pogemiller	
Dahl	Johnson, D.E.	McQuaid	Purfeerst	

So the bill passed and its title was agreed to.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

H.F. No. 1844: Messrs. Cohen, Knutson and Peterson, R.W.

H.F. No. 2049: Messrs. Dahl, Belanger and Luther.

H.F. No. 2590: Messrs. Johnson, D.J.; Brandl; Novak; Pogemiller and Bernhagen.

H.F. No. 2265: Messrs. Berg; Moe, R.D.; Merriam; Frederickson, D.R. and Lessard.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Chmielewski moved that S.F. No. 1713 be taken from the table. The motion prevailed.

S.F. No. 1713: A bill for an act relating to state lands; authorizing private sale of certain tax-forfeited lands in Carlton county.

CONCURRENCE AND REPASSAGE

Mr. Chmielewski moved that the Senate concur in the amendments by the House to S.F. No. 1713 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1713 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 56 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.E.	Mehrkens	Schmitz
Anderson	Decker	Jude	Metzen	Spear
Beckman	DeCramer	Knaak	Morse	Storm
Belanger	Dicklich	Knutson	Olson	Stumpf
Benson	Diessner	Kroening	Pehler	Taylor
Berg	Frank	Laidig	Peterson, D.C.	Vickerman
Bernhagen	Frederick	Langseth	Piper	Waldorf
Bertram	Frederickson, D.J.	Lantry	Pogemiller	Wegscheid
Brandl	Frederickson, D.R.	Larson	Purfeerst	
Brataas	Freeman	Lessard	Ramstad	
Chmielewski	Gustafson	Luther	Reichgott	
Cohen	Hughes	McQuaid	Renneke	

Messrs. Dahl and Merriam voted in the negative.

So the bill, as amended, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

SPECIAL ORDER

H.F. No. 2036: A bill for an act relating to crimes; prohibiting possession of fireworks; increasing penalties for selling or possessing certain quantities of fireworks; providing penalties; amending Minnesota Statutes 1986, sections 624.21; 624.23; and 624.25.

Mr. Knutson moved to amend H.F. No. 2036, as amended pursuant to Rule 49, adopted by the Senate March 21, 1988, as follows:

(The text of the amended House File is identical to S.F. No. 1934.)

Page 2, line 23, after "pyrotechnic" insert "or flash"

Page 2, line 24, before the period, insert "*constructed to produce detonation or deflagration*"

Page 3, after line 3, insert:

"Sec. 4. [624.221] [EXEMPTIONS FOR LICENSE OR PERMIT HOLDER.]

Sections 624.20, 624.21 and 624.23 to 624.25 do not apply to:

(a) the holders of a federal explosives license or permit issued pursuant to 18 United States Code, Chapter 40, or their agents when the holder or agent is acting in compliance with the conditions of licensure; or

(b) the holders of permits issued pursuant to section 624.22 or their agents, from the date of issuance until 15 days after the date of exhibition authorized by the permit, when the holder or agent is acting in compliance with the conditions of the permit and section 624.22."

Re number the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 2036 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 58 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Hughes	Luther	Piper
Anderson	Dahl	Johnson, D.E.	Marty	Pogemiller
Beckman	Davis	Johnson, D.J.	McQuaid	Purfeerst
Belanger	Decker	Jude	Mehrkens	Ramstad
Benson	DeCramer	Knaak	Merriam	Reichgott
Berg	Diessner	Knutson	Metzen	Renneke
Berglin	Frank	Kroening	Morse	Storm
Bernhagen	Frederick	Laidig	Novak	Stumpf
Bertram	Frederickson, D.J.	Langseth	Olson	Vickerman
Brandl	Frederickson, D.R.	Lantry	Pehler	Waldorf
Brataas	Freeman	Larson	Peterson, D.C.	
Chmielewski	Gustafson	Lessard	Peterson, R.W.	

So the bill, as amended, passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1708: A bill for an act relating to credit unions; permitting managers to be directors; providing conditions for the expulsion of members; amending Minnesota Statutes 1986, sections 52.08; and 52.19.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 47 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.E.	Mehrkens	Purfeerst
Anderson	Decker	Jude	Merriam	Ramstad
Beckman	DeCramer	Knaak	Metzen	Reichgott
Belanger	Diessner	Knutson	Novak	Renneke
Berglin	Frank	Kroening	Olson	Spear
Bernhagen	Frederick	Laidig	Pehler	Taylor
Bertram	Frederickson, D.J.	Lantry	Peterson, D.C.	Vickerman
Brataas	Frederickson, D.R.	Larson	Peterson, R.W.	
Cohen	Freeman	Lessard	Piper	
Dahl	Hughes	Luther	Pogemiller	

So the bill passed and its title was agreed to.

MEMBERS EXCUSED

Mr. Knaak was excused from the Session of today from 12:00 to 12:45 p.m. Mr. Novak was excused from the Session of today from 12:00 to 1:05 p.m. Mr. Wegscheid was excused from the Session of today from 12:00 to 12:40 p.m. and 3:00 to 4:30 p.m. Mr. Taylor was excused from the Session of today from 12:00 to 1:30 p.m. Mr. Dicklich was excused from the Session of today from 2:00 to 3:00 p.m. Mr. Lessard was excused from the Session of today from 2:15 to 2:35 and 3:20 to 3:40 p.m. Ms. Berglin was excused from the Session of today from 3:15 to 4:45 p.m. Mr. Pehler was excused from the Session of today from 2:45 to 3:17 p.m. Mr. Davis was excused from the Session of today from 2:30 to 4:45 p.m. Ms. Reichgott was excused from the Session of today from 3:00 to 3:30 p.m. Mr. Moe, D.M. was excused from the Session of today from 3:00 to 5:00 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 1:00 p.m., Wednesday, April 6, 1988. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate